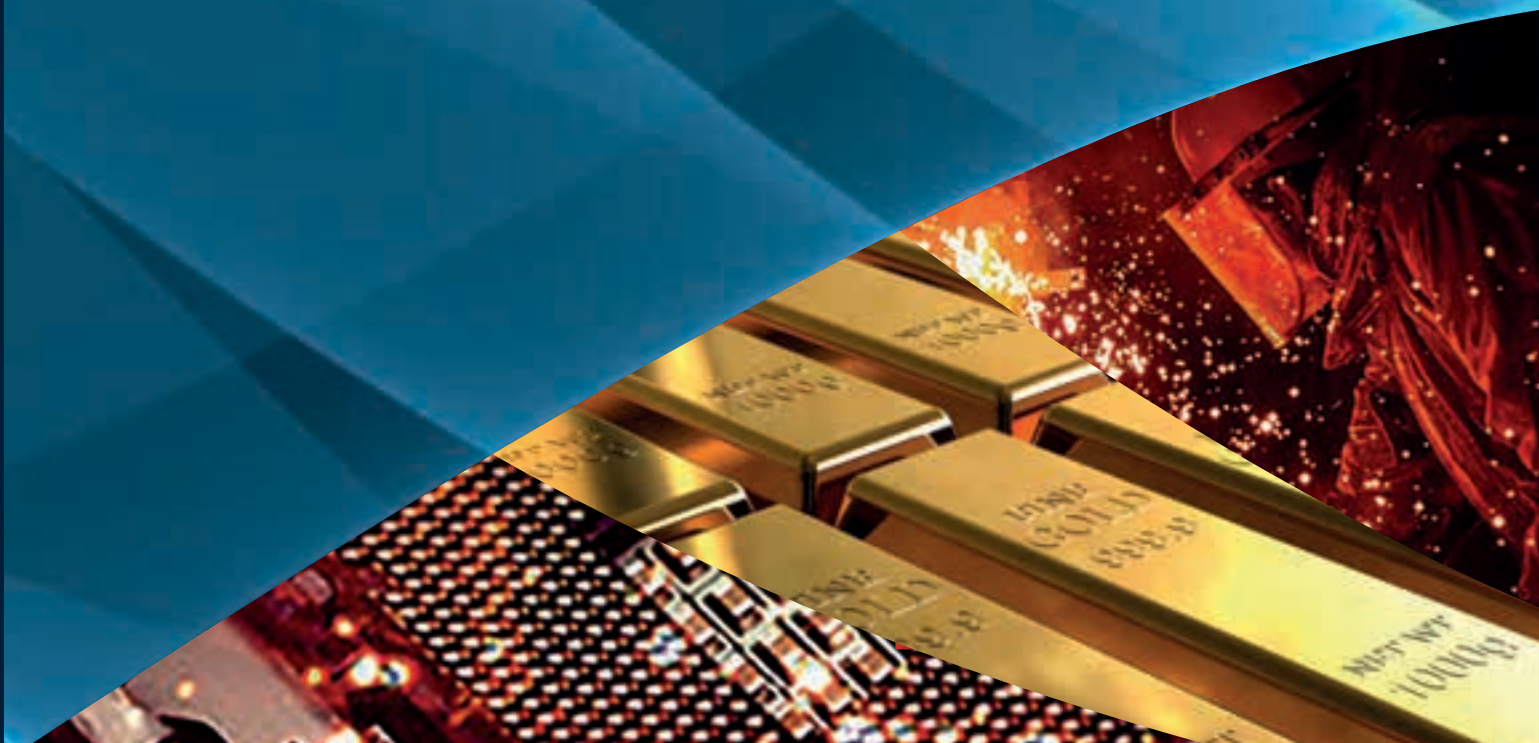




Majestic Corporation

Admission Document

9 March 2022



THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document, or the action you should take, you are recommended immediately to seek your own financial advice from an independent financial adviser, such as a stockbroker, solicitor, accountant or other adviser who specialises in advising on the acquisition of shares and securities and is authorised under the Financial Services and Markets Act 2000 (“FSMA”) (or, if you are a person outside the UK, a person otherwise similarly qualified in your jurisdiction).

The whole of this Document should be read. Investors are strongly advised to seek independent financial advice before investing in the Company. Investment in the Company involves a high degree of risk and may not be suitable for all recipients of this Document. Prospective investors should consider carefully whether an investment in the Company is suitable for them in the light of their personal circumstances. Investors may lose some or all of their capital. Investors need to be mindful that their investment is not covered by the Financial Services Compensation Scheme (“FSCS”) operated by the Financial Conduct Authority (“FCA”) and investors may not be covered by the Financial Ombudsman Service.

This Document comprises an admission document (the “**Admission Document**” or the “**Document**”) drawn up in compliance with the requirements of the AQSE Rules and is being issued in connection with the proposed admission of Majestic Corporation Plc to trading on the AQSE Growth Market. This Document does not constitute, and the Company is not making an offer to the public within the meaning of sections 85 and 102B of FSMA. Therefore, this Document is not an approved prospectus for the purposes of and as defined in section 85 of FSMA, it has not been prepared in accordance with the Prospectus Regulation Rules and its contents have not been approved by the FCA or any other authority which could be a competent authority for the purposes of the Prospectus Regulation (2017/1129). Further, the contents of this Document have not been approved by an authorised person for the purposes of section 21 of FSMA or otherwise. This Document will not be filed with, or approved by, the FCA or any other government or regulatory authority in the UK or elsewhere.

The Directors of the Company, whose names are set out on page 4 of this Document (each, a “**Director**” and collectively, the “**Directors**”), accept full responsibility, collectively and individually, for the information contained in this Document including the Company’s compliance with the AQSE Rules. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and there is no other material information the omission of which is likely to affect the import of such information. Application has been made for the entire issued share capital of the Company to be admitted to trading on the AQSE Growth Market. It is expected that Admission will become effective and that dealings will commence on 10 March 2022.

Majestic Corporation Plc

*(Incorporated in England and Wales under the Companies Act 2006 with registered number 13795187
(Majestic Corporation Plc or the “**Company**”))*

Application for admission of the entire issued share capital of the Company to trading on the AQSE Growth Market

AQSE Corporate Adviser



SHARE CAPITAL ON ADMISSION

Issued Ordinary Shares of £0.005 each

<i>Nominal Value</i>	<i>Authorised Number</i>
£100,000	20,000,000

The AQSE Growth Market, which is operated by Aquis Stock Exchange Limited (“**Aquis Stock Exchange**” or “**AQSE**”), a recognised investment exchange under Part XVIII of the Financial Services and Markets Act 2000 (FSMA), is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies.

It is not classified as a regulated market under Directive 2014/65/EU of the European Parliament and the Council on markets in financial instruments, and AQSE Growth Market securities are not admitted to the Official List of the United Kingdom Listing Authority. Investment in an unlisted company is speculative and involves a higher degree of risk than an investment in a listed company. The value of investments can go down as well as up and investors may not get back the full amount originally invested. An investment should therefore only be considered by those persons who are prepared to sustain a loss on their investment. A prospective investor should be aware of the risks of investing in the AQSE Growth Market securities and should make the decision to invest only after careful consideration and, if appropriate, consultation with an

independent financial adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities.

The Company is required by AQSE to appoint an AQSE Corporate Adviser to apply on its behalf for admission to the AQSE Growth Market and must retain an AQSE Corporate Adviser at all times. The requirements for an AQSE Corporate Adviser are set out in the Corporate Adviser Handbook and the AQSE Corporate Adviser is required to make a declaration to AQSE in the form prescribed by Appendix B of the AQSE Corporate Adviser Handbook.

This Admission Document has not been approved or reviewed by AQSE or the FCA.

Guild Financial Advisory Limited, which is authorised and regulated by the FCA, is the Company's AQSE Corporate Adviser for the purposes of Admission. Guild Financial Advisory Limited has not made its own enquiries except as to matters which have come to its attention and on which it considered it necessary to satisfy itself and accepts no liability whatsoever for the accuracy of any information or opinions contained in this Document, or for the omission of any material information, for which the Directors are solely responsible. Guild Financial Advisory Limited is acting for the Company and no one else in relation to the arrangements proposed in this Document and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice to any other person on the content of this Document.

OVERSEAS SHAREHOLDERS

This Document does not constitute an offer to sell, or a solicitation to buy shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, this Document is not, subject to certain exceptions, for distribution in or into the United States, Australia, Canada, Japan, New Zealand or the Republic of South Africa. The shares have not been nor will be registered under the United States Securities Act of 1933, as amended, nor under the securities legislation of any state of the United States or any province or territory of Australia, Canada, Japan, New Zealand or the Republic of South Africa or in any country, territory or possession where to do so may contravene local securities laws or regulations. Accordingly, the shares may not, subject to certain exceptions, be offered or sold directly or indirectly in or into the United States, Australia, Canada, Japan, New Zealand or the Republic of South Africa or to any national, citizen or resident of the United States, Australia, Canada, Japan, New Zealand or the Republic of South Africa.

The distribution of this Document in certain jurisdictions may be restricted by law. No action has been taken by the Company or Guild Financial Advisory Limited that would permit a public offer of shares or possession or distribution of this Document where action for that purpose is required. Persons into whose possession this Document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Holding shares in the Company may have implications for overseas shareholders under the laws of the relevant overseas jurisdictions. Overseas Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of each overseas shareholder to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

FORWARD-LOOKING STATEMENTS

This Document contains forward-looking statements. These statements relate to the Group's future prospects, developments and business strategies.

Forward-looking statements are identified by their use of terms and phrases such as "believe", "could", "envisage", "estimate", "intend", "may", "plan", "will" or the negative of those variations or comparable expressions, including references to assumptions. These statements are primarily contained in Part I of this Document.

The forward-looking statements in this Document are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. Certain risks to and uncertainties for the Group are specifically described in Part II of this Document headed "Risk Factors". If one or more of these risks or uncertainties materialises, or if underlying assumptions prove incorrect, the Group's actual results may vary materially from those expected, estimated or projected. Given these risks and uncertainties, potential investors should not place any reliance on forward-looking statements.

These forward-looking statements are made only as at the date of this Document. Neither the Directors nor the Company undertake any obligation to update forward-looking statements or Risk Factors other than as required by law or the AQSE Rules whether as a result of new information, future events or otherwise. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions in relation to any forward-looking statement contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

THIRD PARTY INFORMATION

To the extent that information has been sourced from a third party, this information has been accurately reproduced and, so far as the Directors and the Company are aware and able to ascertain from information published by that third party, no facts have been omitted which may render the reproduced information inaccurate or misleading.

INFORMATION ON THE COMPANY'S WEBSITE

The information on the Company's website does not form part of this Document unless that information is incorporated by reference into this Document.

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DIRECTORS, REGISTERED AGENT AND ADVISERS

Directors	Peter Yu Pok Lai – <i>Chairman and CEO</i> Man Bing (“Joe”) Lee – <i>CFO</i> Gianfranco Guerra – <i>Executive Director</i> Christopher Paul Neoh – <i>Non Executive Director</i> Larry Carter Howick – <i>Non Executive Director</i>
Company Secretary	Michael Woodward
Registered Office	1 High Street Mews Wimbledon Village London SW19 7RG
AQSE Corporate Adviser	Guild Financial Advisory Limited 382 Russell Court Woburn Place London WC1H 0NH
Auditors to Majestic	RX CPA Limited Room 1405, Lucky Centre, 165-171 Wanchai Road, Wanchai, Hong Kong
Auditors to the Company	Kreston Reeves LLP 2nd Floor 168 Shoreditch High Street London E1 6RA
Reporting Accountants	Kreston Reeves LLP 2nd Floor 168 Shoreditch High Street London E1 6RA
Legal Advisers to the Company	Punter Southall Law Limited 11 Strand London WC2N 5HR
Legal Advisers to the Company (Hong Kong)	LC Lawyers LLP Suite 3106, 31/F One Taikoo Place 979 King’s Road, Quarry Bay, Hong Kong
Registrars	Neville Registrars Limited Neville House Steelpark Road Halesowen B62 8HD
Website	www.majestic-corp-investor.com

DEFINITIONS

The following terms apply in this Document unless the context requires otherwise:

“Act”	The Companies Act 2006, as amended.
“Admission”	The admission of the issued Ordinary Shares of the Company to trading on the Access Segment of the AQSE Growth Market becoming effective in accordance with the AQSE Growth Market Access Rulebook.
“Affiliated Companies”	Means those companies summarised in paragraph 9 of Part I and paragraph 4 of Part IV of this admission document.
“AQSE Growth Market”	The primary market segment operated by AQSE for dealings in unlisted securities.
“AQSE Rules”	The AQSE Growth Market – Rules for Issuers, which set out the admission requirements and continuing obligations of companies seeking admission to and whose securities are admitted to trading on the AQSE Growth Market.
“Aquis Stock Exchange” or “AQSE”	Aquis Stock Exchange, a Recognised Investment Exchange under FSMA.
“AQSE Corporate Adviser”	Guild Financial Advisory Limited, registered in England and Wales with company number 11611887.
“Articles”	The articles of association of the Company, as amended from time to time.
“Board” or “Directors”	The board of directors of the Company, whose names are set out on page 4 of this Document.
“Catalytic Converter”	An exhaust emission control device for vehicles which contains valuable precious metals including platinum, palladium and rhodium that can be recovered and recycled for re-use.
“City Code”	The City Code on Takeovers and Mergers.
“Company”	Majestic Corporation Plc, a company incorporated in England and Wales on 10 December 2021 with registered number 13795187.
“Corporate Adviser Handbook”	AQSE Corporate Adviser Handbook as published in the AQSE website from time to time.
“CREST”	The Relevant System (as defined in the CREST Regulations) for paperless settlement of share transfers and the holding of shares in uncertificated form which is administered by Euroclear.
“CREST Regulations”	The Un-certificated Securities Regulations 2001 (SI 2001 No. 3755).
“e-waste”	discarded products with a battery or plug.
“EU”	The European Union.
“Euroclear”	Euroclear UK & International Limited, a company incorporated in England and Wales and the operator of CREST.

“FCA”	The United Kingdom Financial Conduct Authority, the statutory regulator under FSMA responsible for the regulation of the United Kingdom financial services industry.
“FSMA”	The Financial Services and Markets Act 2000 (as amended).
“Group”	the Company and its subsidiaries for the time being.
“Guild”	Guild Financial Advisory Limited, a company authorised by the FCA.
“ISIN”	international security identification number.
“LBMA”	London Bullion Market Association is the international trade association representing the global Over The Counter (OTC) bullion market.
“LME”	The London Metal Exchange is the UK based futures and forwards exchange for base metals that also offers contracts on precious metals.
“LPPM”	The London Platinum and Palladium Market is an over-the-counter trading centre for platinum and palladium and a commodity trading association based in London, UK.
“London Stock Exchange”	London Stock Exchange PLC.
“MAR” or “Market Abuse Regulation”	the UK version of Regulation (EU) 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time including by the Market Abuse (Amendment) (EU Exit) Regulations 2019.
“Majestic”	Majestic Corporation Limited, the 100 per cent. subsidiary of the Company and the operator of the trading business based in Hong Kong.
“OECD”	The Organisation for Economic Co-Operation and Development is an intergovernmental economic organization with 39 member countries, founded in 1961 to stimulate economic progress and world trade, based in Paris, France.
“Orderly Marketing Agreement”	The agreement between the Company, Peter Lai, one of the Directors and the principal shareholder in the Company, Li Ting Yang and Lionel Lai, further details of which are set out in paragraph 18.7 of Part IV of this Document.
“Ordinary Shares”	The ordinary share of the Company of £0.005 par value.
“Persons Discharging Managerial Responsibility”	As defined in MAR, as may be amended from time to time, and refers to any person fulfilling such function for the Company or any of its subsidiaries from time to time and as at the date of this Document.
“Recyclable Materials”	WEEE, Catalytic Converters and precious non-ferrous base metals.
“Share Capital”	The number of Ordinary Shares in issue.

“Shareholders”	Persons registered as the holders of any part of the share capital of the Company.
“UK” or “United Kingdom”	The United Kingdom of Great Britain and Northern Ireland.
“WEEE”	Waste Electrical and Electronic Equipment which contain precious metals and other components that can be recovered and recycled for re-use.
“£” or “Pound”	pounds sterling.
“\$” or “USD”	United States dollar.
“tonne”	Metric tonne equalling 1000 kilograms.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this Document	9 March 2022
Admission to trading on the AQSE Growth Market and commencement of dealings	10 March 2022
CREST members' accounts credited in respect of Ordinary Shares	10 March 2022
Ordinary Shares certificates dispatched where applicable by	22 March 2022

Each of the times and dates set out above and mentioned elsewhere in this Document may be subject to change at the absolute discretion of the Group.

ADMISSION STATISTICS

Number of Ordinary Shares in issue at the date of this Document	20,000,000
Market capitalisation of the Company on Admission	£5,000,000
AQSE Growth Market symbol (TIDM)	MCJ
ISIN	GB00BN70W297
LEI	213800WR5NVLL1UII848

PART I:
INFORMATION ABOUT THE GROUP

1. INTRODUCTION

In 2020, Global E-waste Monitor reported an estimated 53.6 million metric tonnes (Mt) of e-waste was generated in 2019, a 21 per cent. rise since 2014. Furthermore, it estimates that e-waste will reach 74 Mt per annum by 2030, an almost doubling of e-waste in 16 years.

The Global E-Waste Monitor report estimated that the worldwide mountain of electronic and electrical equipment (WEEE) for recycling in 2021 would be circa 57.4 Mt.

As such the report suggests that e-waste is becoming the fastest growing domestic waste stream fed by increase public consumption of electronics with short life physical or brand life cycles and or limited or costly options for repair.

At present, much of this material goes un-recycled with only a documented 17.4 per cent. of e-waste returning to the supply chain in some form in 2019, yet the opportunity and value of recovery is substantial. An example of this being the amount of recoverable gold in one tonne of discarded mobile phones is more than in a tonne of gold ore, with a lower capital expenditure for recovery. More critically gold, silver, copper, platinum and other high-value, recoverable materials conservatively valued at US \$57 billion were mostly dumped or burned adding to landfill and pollution rather than being collected for treatment and reuse.

According to the report, Asia generated the greatest volume of e-waste in 2019 — some 24.9 Mt, followed by the Americas (13.1 Mt) and Europe (12 Mt), while Africa and Oceania generated 2.9 Mt and 0.7 Mt respectively.

Increasingly there is both the environmental and financial desire and demand for precious metals and other material to be recovered and returned to the circular economy supply chain such that there is an integral role for a well-funded asset management and recycling company making these resources available for future use.

Majestic is a profitable business recycling precious metals and non-ferrous metals from obsolete mechanical and industrial material including catalytic convertors, printed circuit boards, legacy electrical and electronic equipment (WEEE), and industrial metal residues left over from manufacturing.

The growth in Recyclable Materials means that there is both an environmental and commercial need to seek to re-use, recover and recycle these precious metals to lessen the impact of waste on the environment and to keep supply open when new resources are becoming harder and more expensive to develop.

This places the Group in a strong position to further develop its market presence and develop the commercial re-use and recycling of these discarded materials.

The Company was incorporated as a UK holding company on 10 December 2021 and acquired the whole of the issued share capital of Majestic on 15 February 2022 by way of a share for share exchange through the issue of New Ordinary Shares in the Company.

Majestic's buy-side operations involve sourcing, collection, and processing Recyclable Material from around the world including the USA, Italy, Mexico, Australia and the UK. Sell-side operations focus on selling to refinery customers based in Japan who reconstitute the Recyclable Material for re-use in manufacturing.

In the year ended 31 December 2020, Majestic had revenue of over US\$27m and recorded profit before tax of US\$375k. In the 6 months to 30 June 2021 Majestic recorded turnover of US\$15.5m and profits before tax of US\$765k.

2. KEY STRENGTHS

The Directors believe that the success to date and the future prospects of Majestic are founded on the following key market requirements and business strengths:

- (a) Majestic focuses on precious and non-ferrous metals including gold, silver, platinum, and palladium.
- (b) The increasing global demand for precious and non-ferrous metals.
- (c) The growing environmental need for society to reuse materials wherever possible.
- (d) The growth in Recyclable Materials.
- (e) The ability to source direct from the suppliers, manufacturers, service providers and municipalities.
- (f) The ability to process materials at volume.
- (g) The ability to process material to the correct level for a refinery's requirements.
- (h) Long-term relationships and contracts with refinery customers.
- (i) On-going certification as a supplier to refinery customers.
- (j) Existing and proven infrastructure to facilitate current and increased volumes of materials.
- (k) Experienced management team.
- (l) Historical recovery data allowing for accurate purchase pricing and cost forecasting.
- (m) Strong barriers to entry.

3. HISTORY AND BACKGROUND

The Company's Chairman and CEO, Peter Lai, founded and ran WSF Group, a general waste metal recycler, for two decades until 2018. When China imposed tariffs on metal imports, he formed Majestic in 2018 and used his commercial experience, supply and customer contacts and technical knowledge in the metal waste market to focus on precious metal recovery in different regions.

4. PRINCIPAL ACTIVITIES

The business of Majestic is twofold and can be split into the collection, storage, and preparation for recycling (Buy Side) and the onward supply and sale to refinery customers of waste precious non-ferrous metals, (Sell Side).

Central, administration and logistics operations are based in Wan Chai, Hong Kong; and to meet customer demand Majestic sources material from suppliers globally.

Buy-side

Suppliers of Recyclable Materials include private businesses, end manufacturers, OEM's, local or national authorities and smaller waste collectors. As a result the Directors believe Majestic is generally not exposed to material supply side risk as it works with a variety of different suppliers.

As well as sourcing Recyclable Materials directly Majestic uses its network of the Affiliate Companies to act as central points of contact to manage and control the acquisition, logistics and processing of Recyclable Materials. The Affiliate Companies are based in the UK, Malaysia, Italy, and the USA. In some cases, these companies may also act as tolling agents to process and upgrade the Recyclable Materials so it is acceptable to refineries.

For the UK, European Union (except Italy) and Central Eastern Europe Recyclable Materials are sourced by TeleCycle Europe Limited, and for Italy Majestic works with Sider Rottami Adriatica S.P.A (SRA), each such company being one of the Affiliated Companies.

In the USA material is sourced by the Affiliated Company Majestic Global Corporation LLC. At present most of the Recyclable Materials supplied to Majestic Global Corporation LLC comes from an existing commercial collection agreement with top tier telecommunication carriers, who cover all US States.

Majestic also works with suppliers in Lithuania, Latvia, Spain, Germany, Poland, Australia, and Mexico.

The Recyclable Material from UK, EU and Central Eastern Europe sometimes needs sorting and processing into material that is in an acceptable state for Majestic's customers. Typically it is dispatched to SRA who will sort and prepare the materials for onward shipping to the customer. SRA charge Majestic a fixed processing fee per tonne.

Majestic also has an Affiliated Company in Malaysia, MC Asset Malaysia Sdn Bhd, where material can be shipped in containers, broken down into elements that are suitable for refinery supply and placed back in the container for shipping to refineries.

The reclamation process is done by machine with an element of hand picking, sorting and grading in order to meet the waste grade requirements for the refineries and other end customers. Majestic estimates that circa seventy five percent of a container will typically be Recyclable Material suitable for shipping to the refineries. The residual elements, which will include plastic, steel, aluminum and wood, much of which may be sold to steel mills, aluminum smelters and other recyclers.

Over the years both Majestic and the Affiliated Companies have built up trusted supply sources such that Recyclable Materials purchased can also go direct to refineries from its source location based on the recorded contents rather than having to be checked and audited in advance.

Once Recyclable Materials have been sourced, Majestic will confirm the supplier and create a shipping reference with the most competitive shipping agent local to the supplier.

The Recyclable Material is collected and processed in standard shipping containers, the contents of a container recorded in shipping manifests allowing purchasers and customs to match the contents at the other end of the shipping journey.

Once a container of Recyclable Material is ready (either having been sorted and processed or recorded as acceptable) it is supplied to refineries in Japan for reconstitution and resupply into the global supply chain.

Majestic has no reliance on specific ports of exit, as it will always look for the most commercial route to get Recyclable Materials to its next destination.

Catalytic Converters differ from WEEE in that they can be shipped either as a whole converter or cut up to extract the substrate elements then shipped directly to refinery customers who will refine it.

Sell-side

The sell-side business of Majestic's business is the provision of high-grade Recyclable Materials and Catalytic Converters to refineries in Japan. Once Recyclable Materials and Catalytic Converters are purchased and processed by Majestic, they are then sold to one of the refinery customers in Japan.

To supply and sell into these refineries a supplier such as Majestic requires a recognised supplier status, which Majestic has, and for which the refineries monitor compliance regularly.

The cornerstone of Majestic's business model with the refineries is to provide as much high-grade Recyclable Material as possible. Many of the refineries operate within a yearly refining capacity. The better the quality of material delivered to refineries, the more metals the refinery can extract within their yearly capacity. Majestic can support the refineries through its internal sourcing and processing practices and therefore placing Majestic in a good position to retain its preferred supplier status. Companies with preferred supplier status are in a good position to negotiate commercial terms with the refineries.

Majestic has relationships with several of the major industrial conglomerates in Japan that have metal refineries including JX Metals Trading, a subsidiary of "Nippon Mining". The relationship agreements are on a 12-month rolling basis and require Majestic to meet and maintain certain standards. The amount of material supplied to each customer can vary, but on average each customer typically agrees to take a number of tonnes per month.

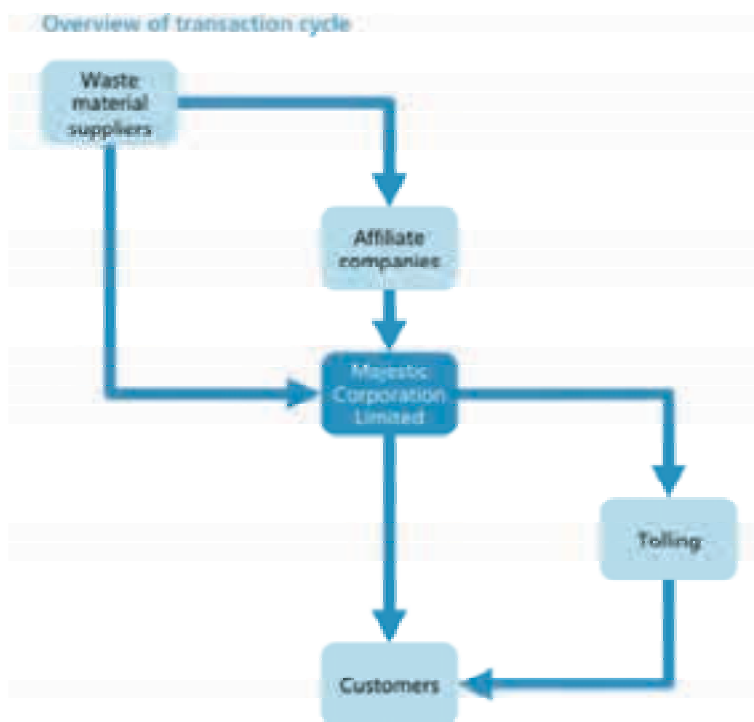
Majestic works hard to carefully maintain these relationships and in some cases the agreements have been in place for several years.

Once a container arrives dockside in Japan it is inspected and checked by the receiving customer. The price paid by a customer for a container will be fixed based on the monthly average spot price for the materials it contains; and metal prices will be referenced on the LBMA and LME.

Catalytic Converters are transported as they are or cut apart, and the refinery purchaser will prepare them for recycling. The price paid for Catalytic Converters is typically hedged but very occasionally it is spot.

Majestic also benefits from selling the processed recyclable waste that is not appropriate for the refinery customers, which might include steel, aluminum, wood or plastic back into the supply chain. This is sold into the general recycling market to ad-hoc customers allowing Majestic in many instances to generate revenue from almost the entirety of a container of Recyclable Material purchased.

The transaction cycle of Recyclable Material is outlined in the diagram below.



5. OPERATIONAL ENVIRONMENT

Precious metal refineries need a supply of materials of the right standard and from sources that are trustworthy, and in compliance with local or international recognised practices and regulations.

Trade bodies and institutions such as LBMA, LPPM and the OECD provide industry guidance on responsible supply chains of precious metals to avoid human rights abuses, money-laundering, terrorist financing and managing business in areas deemed to be high-risk.

Precious metal refineries usually have in place operating procedures based on these guidelines in order to comply with responsible supply chain procedures, such that a refinery will outline its own commitments and expect its commitments to be matched by suppliers.

To be an approved supplier in volume to a refinery Majestic is required to evidence its own processes and procedures including anti-money laundering procedures, compliance procedures around financial transfers and reporting processes which would identify any suspicious transactions.

Majestic is also required to undertake downstream Know Your Customer exercises on suppliers and sources of Recyclable Material. The elements of this downstream review will also include the size of facility, number of employees, storage and processing capacity, reviewing operational, environmental and waste permits from relevant authorities, the number of years in operation, types of material processed, history of the

relationship, the processes used to manage the waste material supplied as well as undertaking site visits. These checks ensure that the entire supply process is transparent.

As well as corporate information Majestic will check compliance with national, regional, federal or supra-national regulations. For example in the UK this might be recognition as an exporter of e-waste under The Waste Electric and Electronic Equipment (WEEE) Regulations 2013 (including all updated and amendments to these regulations). In the EU this will be EU Regulation (EC) No 1013/2006 and its annexes; and the US has its own state level permits.

Majestic maintains ISO standards to further support the required service level standards and the successful delivery of their services and compliance with customer requirements.

These end-to-end relationships from suppliers to Majestic to refinery are regularly audited. Successful management and maintenance of these procedures and processes allow Majestic to maintain its preferred supplier status.

6. PRINCIPAL TRENDS

The recovery of non-ferrous and precious metals from Catalytic Converters and WEEE form part of the circular economy of source, recover, recycle and re-use classified as Urban Mining. Urban mines are stockpiles of rare metals discarded by society and urban mining is the process of recovering these rare metals and reintroducing them into the manufacturing supply chain.

Sources of precious metals from urban mining are found all over the world but supply must be identified, stored, treated and transported to a recycling partner and supply continuity is important.

Precious metals are a core component in today's manufacturing and consequently demand currently is high. They are used in semiconductors, electronic components, LEDs, photovoltaic systems, magnetic data storage, passive components, green energy production and many other products and services. They are also integral to many production processes, for example as catalysts in the chemical industry.

At present there is a global supply deficit of precious metals, and there are high barriers of entry to mine new sources, including importantly the environmental impact as well as the large speculative capital expenditure required to develop new resources. The Directors believe that such constraints point to an increased demand for companies like Majestic that can collect the required volume of Recyclable Materials that is needed by refinery customers to match demand.

Other barriers to entry for new companies include building trustworthy sources of supply, achieving and maintaining regulated environmental standards in the jurisdiction that they operate in, and having access to the finance to purchase large volumes of material and in some cases hedge pricing against global metal prices. Further to this there is strict vetting by the large refineries to become, and remain, a supplier, a requirement to deliver regular large quantities of quality Recyclable Materials, alongside regular facility audits and the requirement to follow strict compliance with a refinery's regulations and accreditations.

Majestic's established position as a provider of Recyclable Material to refinery and foundry customers and its long term supplier relationships places Majestic in a strong position to benefit from the growth in the market of reclaiming and recycling material for return to the circular economy.

7. COMPETITORS

The Group and the Affiliated Companies operate in multiple locations in a global market and there are competing businesses of various size in every jurisdiction in which Majestic operates. Majestic is able at appropriate times to source Recyclable Material from potential competitor companies that operate in the more general waste sectors who may not have logistical capability, capital requirements or facilities to process precious metal material effectively to meet refinery requirements for onward sale. Further, some companies operate in a more generalist waste management space or focus on other recyclable material such as wood, plastic or ferrous metals.

The largest competitors to Majestic in the recycling sector have either a global or a very large regional presence and include companies such as Sims Metals Limited, Ausurus Group Limited, Umicore N.V, and

Stena Metall AB. These companies have larger and more diverse business models than the Group such that they focus on providing a range of waste management services which can include ferrous and non-ferrous metal recycling, metal storage, destruction of secure metal, WEEE management, management of large waste collection projects and refining metal waste themselves. These larger companies have high capital expenditure to maintain market position and multiple silos of business.

The Directors acknowledge that there are strong competitors in its market space. However, they believe that Majestic's focus on precious metals, the size of the market, the predicted increase in available Recyclable Material, the predicted rise in the need for the retrieved materials to meet recycling targets, to feed future manufacturing demand, the urgent need to move away from the environmentally damaging search and extraction of new sources of raw materials mean that the opportunity for growth remains substantial.

8. STRATEGY

The overarching strategy of the business is to grow its sources of supply to meet the needs of customers as well as maintaining its existing relationships with refinery customers globally.

In the short to medium term the Group will seek to create new facilities in areas where the Directors believe are the most optimal geographical locations, including UK, Western Europe, Northern Europe, Australasia and South America; and the Group is already looking at sites in a number of locations.

Further, in conjunction with a third party, Majestic is in the process of developing a supply chain software app to streamline access to a strong supply of Catalytic Converters. The app will increase Majestic's database of available resources, allow suppliers access to clear pricing options from Majestic and access a marketplace with the potential to reduce the risk of price fluctuations in the market.

9. COMPANY AND THE AFFILIATED COMPANIES STRUCTURE

The Company is the holding company for its one hundred per cent owned subsidiary, Majestic.

Majestic sources Recyclable Material in its own right and also maintains relationships on an arm's length basis with the Affiliated Companies that source and process Recyclable Material for Majestic. In all cases the sell side relationships with the refineries are exclusively held within Majestic.

The Affiliate Companies comprise:

- TeleCycle Europe Limited (a company based in the UK).
- Majestic Global Corporation (a company based in the USA).
- MC Asset Malaysia Sdn Bhd (a company based in Malaysia).

Each of these companies are wholly owned by Peter Lai, the Chairman and CEO.

- Sider Rottami Adriatica S.P.A. (a company based in Italy), which is wholly owned by Gianfranco Guerra, an executive director of the Company.

In the Directors' experience many suppliers often prefer working with regional representatives as it typically allows for a more personal relationship, reduces the risk of miscommunication and allows pricing to be managed at a local level. It also allows Majestic to focus on the logistics and supply of Recycled Material to refinery and foundry customers, effectively managing these core relationships.

The relationships with the Affiliated Companies reflect the historical development of sources of supply of Recyclable Material for Majestic in various regions; over time the Directors expect that reliance on the Affiliated Companies to diminish as the Company grows in its own right. In the meantime, the Directors will regularly review the appropriateness and commercial terms of these affiliate relationships under the terms of the Relationship Agreement described in Part IV, paragraph 12 of this Document.

Details of these arrangements are contained in Part IV, paragraph 18 of this Document.

10. DIRECTORS AND KEY EMPLOYEES

Chairman and CEO – Peter Yu Pok Lai (Age 49)

Peter is a British Overseas Passport holder and is based between Melbourne, Australia and Hong Kong. He is responsible for all of the global sales, operations, including end-to-end management of Majestic's suppliers and customers. In addition, he continues to oversee the development of strategic supplier and end users relationships, ensuring flexibility in response to an increasingly demanding marketplace. Prior to establishing Majestic, Peter was CEO of WSF Group, which was founded in 1994 and where his close relationships with suppliers and refineries were initiated. He has historically sat on the committees of various metals recycling associations.

It is the intention of the Company to appoint an independent non-executive Chairman as soon as an appropriate candidate has been identified and no later than within the six months of Admission.

CFO – Man Bing (“Joe”) Lee MA, PG Dip (Acc), ACA, FCCA (CFO) (based in UK) – (Age 48)

Joe graduated from Glasgow University with a MA in Computing Science and is a fully qualified Chartered Accountant with over 20 years' experience. He specialises in advising UK and overseas entities to help them structure their business and tax affairs including providing accountancy and tax services. As CFO for Majestic Joe is responsible for the finance functions and interfaces with the external auditors.

Executive Director – Gianfranco Guerra (based in Italy) – (Age 60)

Gianfranco is the major shareholder and CEO of SRA, a leading waste metal recycler in Italy. He has 40 year of experience in the industry giving him a thorough knowledge of the market with extensive personal and commercial relationships. SRA, an Affiliate Company, are a key supplier to Majestic with extensive warehouse facilities that allow Majestic to collect and store precious metal waste in the EU.

Non-Executive Director – Larry Carter Howick (based in USA), – (Age 70)

Larry is General Manager of Majestic Global Corporation, an Affiliate Company. He is responsible for the procurement of waste material, warehousing, and logistics in the USA that supplies Majestic. He is also responsible for managing the implementation and management of environmental certifications, and will oversee this role for the Company. Prior to this Larry was the President and CEO of LCH Construction Management, which renovated hundreds of fast food restaurants throughout the Southeast area of the United States.

Non-Executive Director – Christopher Paul Neoh (based in UK) – (Age 72)

Christopher is an experienced corporate executive. In 1990, he joined the leisure group Holmes Place Health Club Limited where he held various senior positions, was involved in a number of acquisitions, a private placing and the subsequent flotation of the company on the London Stock Exchange. After establishing and then selling his own healthcare business, he then became managing director and major shareholder in a business devoted to project management and consultancy for clients from the Far East and China. In 2009, Christopher joined Winkworth Franchising Limited as Finance Director and was instrumental in the listing of the company on AIM.

11. CURRENT TRADING

Despite the recent challenging operating conditions, trading in the period up to 30 June 2021 was particularly strong, benefiting from the rise in precious metal prices in the period. Trading in the period since 30 June 2021 has been in line with management's expectations. Majestic expects to announce its audited results for the period ended 31 December 2021 in June 2022.

12. REASON FOR THE ADMISSION

The Directors believe that there is strong potential for growth in precious metal recycling and its positive environmental impact. To grow the business the Directors will seek to develop the business strategically using a mixture of cash generated from revenues, and where required, funding from the debt and equity capital markets.

The Directors also believe that the UK financial markets understand the importance of sustainability and recycling. A listing on AQSE will allow the Company to develop a public market presence and in due course

will provide it with an opportunity to access funding from the UK capital markets to support further growth and expansion.

13. ORDERLY MARKETING AGREEMENT

The Principal shareholder, Peter Lai, Li Ting Yang and Lionel Lai who are respectively beneficially interested in 14,380,258 Ordinary Shares, 1,438,026 Ordinary Shares and 1,078,519 Ordinary Shares representing 71.90 per cent, 7.19 per cent. and 5.39 per cent. respectively of the issued share capital, have entered into an Orderly Marketing Agreement. Under the terms of this agreement they have each undertaken not to dispose of any Ordinary Shares for a period of 12 months from Admission without the consent of Guild. Even if such consent is given, Peter Lai, Li Ting Yang and Lionel Lai may only dispose of Ordinary Shares through Guild provided that the terms and conditions of sale offered by Guild are no worse than those offered in the market by other brokers. Further details of the Orderly Marketing Agreement are set out in Paragraph 18.7 of Part IV of this Document.

14. CORPORATE GOVERNANCE

The Directors recognise the importance of sound corporate governance and, following Admission, have undertaken to take account of the requirements of the QCA Code to the extent that they consider it appropriate having regard to the Group's size, board structure, stage of development and resources. Conditional on Admission, the Company has established an Audit Committee, a Remuneration Committee and an AQSE Growth Market Rules Compliance Committee. Details of these committees are set out below:

Audit Committee

The Board has established an Audit and Risk Committee with formally delegated duties and responsibilities. The Audit and Risk Committee will be chaired by Christopher Neoh and its other member is Larry Carter Howick and will meet at least twice a year. It will be responsible for ensuring the financial performance of the Company is properly reported on and monitored, including reviews of the annual and interim accounts, results announcements, internal control systems and procedures and accounting policies, as well as keeping under review the categorisation, monitoring and overall effectiveness of the Company's risk assessment and internal control processes.

Remuneration Committee

The Remuneration Committee will be chaired by Christopher Neoh and its other member is Larry Carter Howick. It is expected to meet not less than two times a year. The Remuneration Committee has responsibility for determining, within agreed terms of reference, the Company's policy on remuneration of senior executives and specific remuneration packages for executive directors and the Chairman, including pension rights and compensation payments. The remuneration of non-executive directors is a matter for the Board. No director may be involved in any discussions as to their own remuneration.

Nominations Committee

The Nominations Committee will be chaired by Christopher Neoh and its other member is Larry Carter Howick. It is expected to meet not less than two times a year. The Nomination Committee will lead the process for Board appointments and make recommendations to the Board. The Nomination Committee will regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes.

AQSE Growth Market Rules Compliance Committee

The Board has agreed that the AQSE Growth Market Rules Compliance Committee will be comprised of the Board as a whole and will be responsible for ensuring that the Company has sufficient procedures, resources and controls to enable it to comply with the AQSE Growth Market Rules for Issuers and will meet not less than twice a year. Guild will be invited to attend meetings.

Share Dealing Code

The Company has adopted a share dealing code in relation to dealings in securities of the Company by the Directors, and Persons Discharging Managerial Responsibility ("**PDMR**"), which is appropriate for a company

whose shares are traded on the AQSE Growth Market. This will constitute the Company's share dealing policy for the purpose of compliance with UK legislation, including the Market Abuse Regulation. It should be noted that the insider dealing legislation set out in the UK Criminal Justice Act 1993, as well as provisions relating to market abuse, will apply to the Company and dealings in its Ordinary Shares.

The Company has also implemented an anti-bribery and corruption policy and also implemented appropriate procedures to ensure that the board, employees and consultants comply with the UK Bribery Act 2010.

Financial Controls and Reporting Procedures

The Directors have established financial controls and reporting procedures, taking into consideration the multi jurisdictional nature of the business which are considered appropriate given the size and structure of the Company. The Directors will continue to review these processes and procedures as the Company develops.

15. FINANCIAL INFORMATION AND KEY PERFORMANCE INDICATORS

Financial Information for the Company for the two years ended 31 December 2020 and the six month period ended 30 June 2021 are set out in Part III of this document. Key performance indicators for the Group are considered to be Revenue, Gross Margin and Profit.

16. DIVIDEND POLICY

The Directors do not expect to recommend the payment of a dividend in the current financial year ending 31 December 2022. The Directors will regularly review the ability to pay a dividend to Shareholders and, in the future, expect that Shareholder returns will be a combination of both dividends and capital growth.

17. ADMISSION TO TRADING ON THE ACCESS SEGMENT OF THE AQSE GROWTH MARKET

This Document constitutes an admission document for the purposes of the AQSE Exchange Growth Market Rules and the Company has made an application for the Ordinary Shares to be admitted to trading on the Access segment of the AQSE Exchange Growth Market. Dealings in the Ordinary Shares is expected to commence at 08.00 a.m. on 10 March 2022. On Admission the Ordinary Shares are eligible for settlement through CREST.

The Ordinary Shares are presently not listed on any exchange.

The Company has already entered into an appropriate arrangement with RNS, a regulatory information service, which disseminates regulatory information to the market.

18. THE CITY CODE

The City Code, which is issued and administered by the Panel on Takeovers and Mergers (the Panel), applies to all takeover and merger transactions, however effected, where the offeree company is, *inter alia*, a company resident in the UK, the Channel Islands or the Isle of Man, the securities of which are admitted to trading on a regulated market or a multilateral trading facility (such as the Aquis Stock Exchange Growth Market) in the United Kingdom or on any stock exchange in the Channel Islands or the Isle of Man.

Ordinarily, under Rule 9 of the City Code (Rule 9), where (i) any person acquires an interest in shares which, when taken together with shares in which persons acting in concert with them are interested, carry 30 per cent or more of the voting rights of a company subject to the City Code or (ii) any person who, together with persons acting in concert with them, is interested in shares which in aggregate carry not less than 30 per cent, but not more than 50 per cent. of the voting rights of a company and such person, or persons acting in concert with them, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which they are interested, that person is normally obliged to make a general offer to all shareholders to purchase, in cash, that company's shares at the highest price paid by them, or any person acting in concert with them, within the preceding 12 months.

Under the City Code, a concert party arises when persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition by any of them of shares in a

company, to obtain or consolidate control of that company. Under the City Code, control means a holding, or aggregate holding, of shares carrying 30 per cent or more of the voting rights of a company, irrespective of whether the holding or holdings gives de facto control. The City Code contains a non-prescriptive list of persons who are assumed to be acting in concert such as the directors of a company and family members.

On and following Admission, the City Code will apply to the Company.

19. TAXATION

Information regarding UK taxation in relation to the Ordinary Shares is set out in paragraph 20 of Part IV of this Document. These details are intended only as a general guide the current position under UK taxation law as at the date of this Document, which may be subject to change in the future.

If an investor is in any doubt as to his or her tax position, or who is subject to tax in a jurisdiction other than the UK, he or she should consult his or her own independent financial adviser immediately.

20. RISK FACTORS

Your attention is drawn to the risk factors set out in Part II of this Document and to the section at the front of this Document entitled "Forward Looking Statements" therein. Potential investors should carefully consider the risks described in Part II before making a decision to invest in the Company.

21. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in Parts II, III and IV of this Document, which contains further information on the Company.

PART II:

RISK FACTORS

This section contains the principal risk factors that the Directors believe to be associated with an investment in the Company. Any investment in Ordinary Shares involves a high degree of risk. The investment opportunity offered in this Document may not be suitable for all recipients of this Document. Investors are strongly recommended to consult an investment adviser who specialises in investments of this nature before making a decision to invest.

All the information set out in this Document should be carefully considered and, in particular, those risks described below. If any or a combination of the following risks materialise, the business, financial condition, operational performance, prospects and share price of the Company could be materially and adversely affected to the detriment of the Company and its shareholders, and you may lose all or part of your investment. Investment in the Company should be regarded as speculative and should be considered long term in nature and suitable only for investors who understand the risks involved, including the risk of a total loss of capital. All risks of which the Directors are aware at the date of this Document and which they consider material are set out in this Document. However, further risks and uncertainties which are not presently known to the Directors, or that the Directors currently deem immaterial, may also have a material effect on the business, financial condition, prospects and share price of the Company, all of which may be adversely affected.

The Directors believe the following risks and uncertainties to be the most significant to the Company and which are currently known to the Directors. However, the risks and uncertainties listed do not necessarily comprise all those associated with an investment in the Company and additional risks and uncertainties not presently known or currently deemed immaterial may also have a material adverse effect on the Company's business, results of operations or financial condition. In particular, the Company's performance may be affected by changes in market or economic condition and in legal, regulatory and tax requirements.

The list below is not exhaustive, nor is it an explanation of all the risk factors involved in investing in the Company and nor are the risks set out in any order of priority.

1. Dependency on senior management and key employees

The Company's ability to be a successful business depends to a significant extent on its senior management team, and key employees. The Company's business model is and will be heavily reliant on Peter Lai and other key personnel, whose expertise in their particular business field is important to the success of the Company. Furthermore, the Company may not be able to find adequate replacements for its executive management or other key employees. The loss of key personnel and or the inability to identify and recruit further key personnel could materially and adversely affect the Company's business and prospects, and significantly weaken its ability to implement its strategy and operate its businesses effectively. The Directors will seek to mitigate this by identifying new personnel to manage the business on a day-to-day level. The Directors will regularly review the management development strategy as part of its risk management processes.

2. Risks related to competition

The Company operates in a highly competitive market, some of the Company's competitors have greater financial and physical resources than the Company and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Company can, or will be able to, compete effectively in the future. In order to maintain market share the Company regularly visits its customers and suppliers as well as undertaking search exercises for new suppliers and engaging to potential customers.

3. Risk of loss of access to waste material markets

Whilst there is third party research to suggest that the level of recyclable WEEE waste will increase for the foreseeable future such that it is unlikely the global supply will not diminish, the Company could lose access to certain markets due to changes in market sentiment, logistical, political, regulatory or financial constraints.

Losing access to regular supply levels could cause a fall in revenue, impeding or stalling future growth. The Company will seek to mitigate this by seeking to increase its access to regular supplies across existing and new geographic locations.

4. Dependency on key customer contracts

The Company is dependent on key customer relationships with refineries and foundries that process precious metals. These relationships are maintained on a twelve-month rolling basis and are dependent on the Company's ability to service these contracts, which includes maintaining responsible supply chain procedures to manage risks and maintain transparency of supply. Failure to be able to maintain these relationships and or service the key terms of the contracts could result in the loss of contracts and it may be difficult to reacquire the relationship. The loss of a customer contract might cause a fall in revenue, impeding or stalling future growth. The Company seeks to mitigate this risk by the regular internal review of procedures and processes to ensure that the Company maintains the correct level of customer compliance in conjunction with ISO standards and other industry recommended practices.

5. Affiliated Company Relationships

Majestic sources some Recyclable Material on an arm's length basis with the Affiliated Companies. TeleCycle Europe Limited, Majestic Global Corporation and MC Asset Malaysia Sdn Bhn are wholly owned by Peter Lai, Chairman and CEO, and Sider Rottami Adriatica S.P.A. which is wholly owned by Gianfranco Guerra, a Director of the Company. In the event that Peter Lai and or Gianfranco Guerra ceased to be Directors of the Company there is a risk that the Company would cease to have access to the Recycled Material supply and services offered by the Affiliated Companies, as such this could have an impact on the Company's ability to source waste material and supply its customers. However, the waste material supply and tolling services provided are not unusual in the waste management industry such that they could be replicated by management and the increase in the creation of recyclable waste as well as the current low percentage of recyclable waste being recycled suggests that the volume supply available will remain strong. At the time of Admission the Affiliate Company relationships are considered by the independent Non-Executive Directors as within normal industry commercial terms. In due course it is the intention to bring the companies owned by Peter Lai under the direct control of the Company.

6. Third Party Supplier Risk

Majestic sources Recyclable Material in its own right and also maintains relationships on an arm's length basis with third party suppliers, some of whom are Affiliated Companies, that source and process Recyclable Material on its behalf and who sometimes send Recyclable Material directly to customers. There is therefore a risk that this material may be contaminated or inappropriate for recycling despite best efforts to confirm the contents of a supply container. In the event of this it could cause a loss of reputation of the Company and ultimately the loss of a customer. Such a loss might cause a fall in revenue, impeding or stalling future growth, and or a damages claim against the Company. The Company seeks to mitigate this risk by the regular internal review of procedures and processes to ensure that the Company maintains the correct level of customer compliance in conjunction with ISO standards and other industry recommended practices.

7. Logistics Risk

The Company uses logistics agents and global shipping services (by sea) to arrange for and conduct transport Recyclable Material to both its tolling partners and to its customers. Delays in these shipments arriving at a destination could materially effect the reputation and business of the Company and its ability to generate revenues. To mitigate this risk the Company does not rely on any one shipping agent and furthermore ensures that financial penalties for delays are factored into the risk management of the agent.

8. COVID-19

COVID-19 has negatively impacted global economic conditions and is having an adverse and disruptive effect on the UK and global economy. COVID-19 may have adverse long-term effects on the global economy, and in turn business, financial situation, growth and prospects of the Company. Furthermore there can be no assurance that there will not be similar outbreaks of other diseases in the future. It is too early to tell what

the very long-term impact of COVID-19 will be on the on the Company its operations and future financial performance.

9. Metal Price Risk

The Recyclable Material that the Company buys and sells is priced against the values of metal as set by global metal exchanges such as the LME as traded on a day to day basis. Metal prices are driven by demand such that an increase and or decrease in demand can see the value of material purchased and put up for sale increase or decrease on a daily basis. There can be no guarantee that the value of material purchased will have the same value at the time of sale. A drastic drop in value of these materials brought about by unforeseen circumstances could affect the ability of the business to operate and may diminish the revenue and profitability of the Company, adversely affecting its capital growth. The Company seeks to mitigate this by focusing on those precious metals that have traditionally been less impacted by price fluctuations and by using an element of hedged pricing structures such that prices can be reasonably predicted in the short term. The Company also monitors market demand such that they purchase and sell the material that is usually in demand

10. Credit Risk

The Company makes use of revolving credit facilities, and has secured commercial lending to provide the cash liquidity required to purchase large volumes of material. Should the Company lose its access to its credit and lending facilities this could impact the ability of the Company to be able to purchase stock material and in turn impact the ability to generate revenue impeding or stalling future growth. To monitor this risk the Company reviews the credit positions and the terms of the credit facilities in light of trading on regular basis as part of its financial controls and procedures.

11. Currency and Foreign Exchange Risks

The functional and presentational currency is US\$, and this is the currency of the financial statements. However, the business of the Company is also conducted in other currencies such as pound sterling Euros, and Hong Kong Dollars. Therefore certain amounts will need to be translated into US\$. Changes in exchange rates between currencies could have a detrimental impact on the Company's reported results. Among the factors that may affect currency values are trade balances, levels of short-term interest rates, and political or regulatory developments. Whilst the Company cannot control exchange rates the Company reviews exchange rate exposure as part of its financial controls and procedures.

12. Major shareholding risk

On Admission the Company will have a single major individual shareholder, Peter Lai who is also the Chairman and CEO of the Company. The interests of the major shareholder may not align with other shareholders in the Company. To mitigate such risk Peter Lai has entered into a Relationship Agreement and an Orderly Marketing Agreement details of which are contained in paragraphs 12 and 18.7 of Part IV of this Document respectively.

13. Dilution of Shareholders' interest as a result of additional equity fundraising

The Company may need to raise additional funds in the future to finance, amongst other things expansion of the business, new developments relating to existing operations or for acquisitions. If additional funds are raised through the issue of new equity other than on a *pro rata* basis to existing Shareholders, the percentage ownership of the existing Shareholders may be reduced. Shareholders may experience subsequent dilution and/or such securities may have preferred rights, options and pre-emption rights senior to Ordinary Shares.

14. Fluctuations in the price, suitability and liquidity of Ordinary Shares

The value and/or market price of the Ordinary Shares can change and may fluctuate. Investors should be aware that the value and/or market price of the Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may therefore realise less than, or lose all of, their original investment. Investments in Ordinary Shares may also

be relatively illiquid and initially there may be a limited number of Shareholders, which may contribute both to infrequent trading in the Ordinary Shares and to volatile share price movements.

Investors may also not be able to realise their investment within a time period that they would regard as reasonable. Accordingly, the Ordinary Shares may not be suitable for short-term investment, or particular investors. Admission should not be taken as implying that there will be an active trading market for the Ordinary Shares. Even if an active trading market develops, the market price for the Ordinary Shares may fall below the issue price. Stock markets can experience extreme price and volume volatility from time to time, and this, in addition to general economic, political, and other conditions out of the Company's control may materially adversely affect the market price for the Ordinary Shares. Any or all of these events could result in a material decline in the market, and consequently there can be no assurance that shareholders will receive back the amount of their investment in the Ordinary Shares.

PART III:
FINANCIAL INFORMATION

Section A – Accountant's report on historical financial information of Majestic Corporation Limited (the Hong Kong subsidiary, "Majestic Corporation Limited (HK)")



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9 March 2022

Private and Confidential

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Guild Financial Advisory Limited
382 Russell Court
Woburn Place
London
England
WC1H 0NH

Dear Sirs

Majestic Corporation Plc (the "Company")

Historical financial information of Majestic Corporation Limited (the Hong Kong subsidiary, "Majestic Corporation Limited (HK)")

Introduction

We report on the financial information set out in Section A of Part III. This financial information has been prepared for inclusion in the admission document dated 9 March 2022 of the Company (the "Admission Document") on the basis of the accounting policies set out in note 2 to the financial information. This report is in support of the Admission Document and for no other purpose.

Responsibilities

As described in note 1 to the financial information, the directors of Majestic Corporation Limited HK are responsible for preparing the financial information on the basis of preparation set out in note 2 to the financial information. It is our responsibility to form an opinion on the financial information and to report our opinion to you. To the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the

amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of Majestic Corporation Limited HK as at 31 December 2019, and 2020 and of its results, cash flows, and changes in equity for the two years ended 31 December 2019 and 2020 in accordance with the basis of preparation set out in note 2 to the financial information.

Declaration

For the purposes of section 1.3 of Table A in Appendix I of the AQSE Growth Market Access Rules we are responsible for this report as part of the Admission Document and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and makes no omission likely to affect its import.

Yours faithfully

A handwritten signature in black ink that reads "Kreston Reeves LLP". The signature is written in a cursive, slightly slanted style.

Kreston Reeves LLP

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019 & 31 DECEMBER 2020**

(Expressed in United States Dollar)

	Notes	31.12.2019	31.12.2020
Turnover	5	14,391,305	27,482,363
Cost of goods sold		<u>(13,646,745)</u>	<u>(26,230,343)</u>
Gross Profit		744,560	1,252,020
Other income	5	46,991	(155,531)
Administrative expenses		(509,860)	(564,236)
Finance costs	6	<u>(55,382)</u>	<u>(112,863)</u>
Profit from operation and before taxation	7	226,309	419,390
Taxation	10	<u>(14,889)</u>	<u>(45,839)</u>
Profit for the year		211,420	373,551
Other comprehensive income for the year		<u>–</u>	<u>–</u>
Total comprehensive income for the year		<u><u>211,420</u></u>	<u><u>373,551</u></u>

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019 & 31 DECEMBER 2020**

(Expressed in United States Dollar)

	<i>Notes</i>	<i>31.12.2019</i>	<i>31.12.2020</i>
CURRENT ASSETS			
Inventories	11	5,066,830	5,917,953
Trade receivables	12	81,251	812,079
Prepayments, deposits and other receivables		737,975	753,982
Amounts due from related companies	13	439,229	–
Cash in bank and on hand		1,588,849	2,347,117
		<u>7,914,134</u>	<u>9,831,131</u>
CURRENT LIABILITIES			
Trade payables	14	444,376	2,059,387
Deposits received		550,315	288,453
Accruals and other payables		74,268	64,101
Amounts due to related company	15	4,048,945	–
Amount due to a director	15	5,043	–
Import loans	16	2,516,671	1,957,853
Tax payable		18,414	64,253
		<u>7,658,032</u>	<u>4,434,047</u>
NET CURRENT ASSETS		<u>256,102</u>	<u>5,397,084</u>
NET ASSETS		<u>256,102</u>	<u>5,397,084</u>
CAPITAL AND RESERVE			
Share capital	17	1	1
Capital reserve		–	4,767,431
Retained profits		256,101	629,652
		<u>256,102</u>	<u>5,397,084</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019 & 31 DECEMBER 2020**

(Expressed in United States Dollar)

	<i>Share capital</i>	<i>Capital reserve</i>	<i>Retained profits</i>	<i>Total</i>
Balance as at 1 January 2019	1	–	44,681	44,682
Profit for the year	–	–	211,420	211,420
Balance as at 31 December 2019	<u>1</u>	<u>–</u>	<u>256,101</u>	<u>256,102</u>
Balance as at 1 January 2020	1	–	256,101	256,102
Profit for the year	–	–	373,551	373,551
Transfer to capital reserve	–	4,767,431	–	4,767,431
Balance as at 31 December 2020	<u>1</u>	<u>4,767,431</u>	<u>629,652</u>	<u>5,397,084</u>

**STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2019 & 31 DECEMBER 2020**

(Expressed in United States Dollar)

	31.12.2019	31.12.2020
OPERATING ACTIVITIES		
Profit for the year	211,420	373,551
Adjustment:		
Cost of goods sold	13,646,745	26,230,343
Finance costs	55,382	112,863
	<u>13,913,547</u>	<u>26,716,757</u>
Operating profit before working capital changes	13,913,547	26,716,757
Changes in working capital		
Purchase of inventories	(14,132,646)	(27,081,466)
Decrease/(Increase) in trade and other receivables	476,517	(307,606)
Decrease in trade and other payables	(1,417,653)	(2,665,167)
	<u>(1,160,235)</u>	<u>(3,337,482)</u>
NET CASH USED TO OPERATING ACTIVITIES	<u>(1,160,235)</u>	<u>(3,337,482)</u>
INVESTING ACTIVITIES		
NET CASH USED TO INVESTING ACTIVITIES	<u>—</u>	<u>—</u>
FINANCING ACTIVITIES		
Payment of finance costs	(55,382)	(112,863)
Withdrawal/(Repayment) of import loans	1,337,173	(558,818)
Fund injected to capital reserve	—	4,767,431
	<u>1,281,791</u>	<u>4,095,750</u>
NET CASH GENERATED FROM FINANCING ACTIVITIES	<u>1,281,791</u>	<u>4,095,750</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	121,556	758,268
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,467,293</u>	<u>1,588,849</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>1,588,849</u></u>	<u><u>2,347,117</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 & 31 DECEMBER 2020**

(Expressed in United States Dollar)

1. GENERAL

Majestic Corporation Limited (HK) is a private limited company incorporated and domiciled in Hong Kong.

The address of its registered office and the principal place of business are located at Unit 1203, 12/F, CC Wu Building, 302-308 Hennessy Road, Wan Chai, Hong Kong. Majestic Corporation Limited (HK) was engaged in information technology assets management and recovery including processing, re-sales and recycling of metal scrap materials during the year.

The financial statements are presented in United States Dollars.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board ("IASB") and Hong Kong Companies Ordinance (Cap. 622). The financial statements have been prepared on a going concern basis.

3. ADOPTION OF NEW AND REVISED STANDARDS

In 2020, Majestic Corporation Limited (HK) has initially applied the new and revised IFRSs issued by the IASB that are first effective for accounting periods beginning on or after 1 January 2020 and are relevant to Majestic Corporation Limited (HK) financial statements, including:

IFRS 3	Definition of a Business (amendments)
IAS 1 and IAS 8	Definition of Material (amendments)
Revised Conceptual Framework for Financial Reporting	
IFRS 16	Covid-19-Related Rent Concessions (amendments)

The application of the new and revised IFRSs has no material effects on Majestic Corporation Limited (HK) financial performance and positions.

4. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted are set out below.

a. Basis of accounting

The financial statements have been prepared under the historical cost basis.

b. Revenue recognition

Revenue from the sales of goods is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's specific location. Following delivery, the customer has full discretion over the usage of the goods, has the primary responsibility when onselling the goods and bears the risks in relation to the goods. A receivable is recognised by Majestic Corporation Limited (HK) when the goods are delivered to the customers as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Interest income is recognised as other income as it accrues using the effective interest method.

c. Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

d. Cash and cash equivalents

Cash and cash equivalents include demand deposits and other short-term highly liquid investments with original maturities of three months or less.

e. Trade and other receivables

Trade and other receivables are stated at estimated realisable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and charged to the income statement.

f. Trade and other payables

Trade and other payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

g. Translation of foreign currency

Foreign currency transactions during the period are translated into United States Dollars at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into United States Dollars at the market rates of exchange ruling at the reporting date. Exchange gains and losses on foreign currency translation are dealt with in the statement of income and retained earnings.

h. Taxation

Income tax expense represents current tax expense. The income tax payable represents the amounts expected to be paid to the tax authority, using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not provided.

i. Inventories

Inventories are stated at the lower of cost and net realisable value. In arriving at net realisable value an allowance has been made for deterioration and obsolescence.

j. Leases

Leases are classified as operating leases and the rentals receivable or payable under these leases are credited or charged to the statement of income and retained earnings on a straight line basis over the duration of the leases.

k. Employee benefits

Salaries, annual bonuses, paid annual leave, contributions to defined contribution plans and the cost of non-monetary benefits are accrued in the period in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Termination benefits are recognized when, and only when, Majestic Corporation Limited (HK) demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

l. Government grants

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to Majestic Corporation Limited (HK) with no future related costs are recognised in profit or loss in the period in which they become receivable.

m. Related parties

For the purposes of these financial statements, related party includes a person and entity as defined below:

- (a) A person, or a close member of that person's family, is related to Majestic Corporation Limited (HK) if that person:
 - i. has control or joint control over Majestic Corporation Limited (HK);
 - ii. has significant influence over Majestic Corporation Limited (HK); or
 - iii. is a member of the key management personnel of Majestic Corporation Limited (HK) or the Majestic Corporation Limited (HK) parent.

- (b) An entity is related to Majestic Corporation Limited (HK) if any of the following conditions applies:
- i. The entity and Majestic Corporation Limited (HK) are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - iii. Both entities are joint ventures of the same third party.
 - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - v. The entity is a post-employment benefit plan for the benefit of employees of either Majestic Corporation Limited (HK) or an entity related to Majestic Corporation Limited (HK).
 - vi. The entity is controlled or jointly controlled by a person identified in (a).
 - vii. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - viii. The entity, or any member of a group of which it is a part, provides key management personnel services to Majestic Corporation Limited (HK) or to Majestic Corporation Limited (HK) parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

5. TURNOVER AND OTHER INCOME

Turnover represents the amounts received and receivables for goods sold to the customers. Turnover and other income recognised during the year are as follows:

	<i>31.12.2019</i>	<i>31.12.2020</i>
Turnover		
Sales to Japan	11,907,805	23,697,317
Sales to Malaysia	2,483,500	3,785,046
	<u>14,391,305</u>	<u>27,482,363</u>
Other income		
Interest Income	14,891	4,868
Government subsidies	–	32,177
Exchange gain	32,100	(192,576)
	<u>46,991</u>	<u>(155,531)</u>

6. FINANCE COSTS

	<i>31.12.2019</i>	<i>31.12.2020</i>
Interest on the Import Loan	55,380	52,394
Arrangement fees on the import loan	–	60,469
Interest on the bank overdraft	2	–
	<u>55,382</u>	<u>112,863</u>

7. PROFIT FROM OPERATION AND BEFORE TAXATION

Profit from operation and before taxation have been arrived at after charging/(crediting):

	31.12.2019	31.12.2020
Audit and professional fees	9,257	10,215
Bad debt written off	–	43,260
Cost of goods sold	<u>13,646,745</u>	<u>26,230,343</u>

8. DIRECTOR'S REMUNERATIONS

Director's remunerations disclosed pursuant to section 383(1) of the Hong Kong Company Ordinance (Cap.622) is as follows:

	31.12.2019	31.12.2020
Fees	–	–
Other emoluments	<u>89,125</u>	<u>82,740</u>
	<u>89,125</u>	<u>82,740</u>

9. STAFF COST

	31.12.2019	31.12.2020
Salary for 6 staff	108,056	161,697
Mandatory provident fund	<u>4,370</u>	<u>7,266</u>
	<u>112,426</u>	<u>168,963</u>

10. TAXATION

Hong Kong profits tax has been provided at the rate of 8.25 per cent. on the assessable profits up to HK\$2 million and 16.5 per cent. on any part of assessable profits over HK\$2 million during the year. For the year of assessment 2020/21, 100 per cent. of tax payable would be waived, subject to a ceiling of HK\$10,000.

Taxation is reconciled to profit before taxation in the statement of profit or loss and other comprehensive income as follows:

	31.12.2019	31.12.2020
Profit before taxation	<u>226,309</u>	<u>419,390</u>
Notional tax on profit before taxation, calculated at the rates applicable to profits	37,341	69,199
Tax effect of tax reduction due to implementation of two-tiered rates	(18,670)	(21,268)
Tax effect of tax rebate	(2,553)	(1,289)
Tax effect of non-taxable income for tax purpose	<u>(1,229)</u>	<u>(803)</u>
Taxation	<u>14,889</u>	<u>45,839</u>

11. INVENTORIES

Inventories comprise entirely of stock in trade.

	31.12.2019	31.12.2020
Stock in warehouse	1,186,165	4,130,235
Stock in transit	3,880,665	1,787,718
	<u>5,066,830</u>	<u>5,917,953</u>

12. TRADE RECEIVABLES

The ageing analysis of the trade receivables, based on invoice dates, is as follows:

	31.12.2019	31.12.2020
Within one month	33,875	812,079
1-3 months	38,238	–
Over 3 months	9,138	–
	<u>81,251</u>	<u>812,079</u>

Trade receivables disclosed above include amounts which are past due at the end of the reporting period against which Majestic Corporation Limited (HK) has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are recovered subsequent to the reporting date. Majestic Corporation Limited (HK) does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by Majestic Corporation Limited (HK) to the counterparty.

13. AMOUNTS DUE FROM RELATED COMPANIES

Amounts due from related companies of Majestic Corporation Limited (HK) disclosed pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance (Cap. 622) and 622G15(3)(b) of Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622) are as follows:

Peter Lai Yu Pok is the director of the below companies. The amounts are unsecured, interest free and receivable on demand.

<i>Name of companies</i>	<i>31.12.2019</i>	<i>31.12.2020</i>	<i>Maximum amount outstanding/ Transactions during the year</i>
WSF Holdings Limited	4,910	–	4,910
W.S.F. Asia Limited	666	–	666
W.S.F. Hong Kong Limited	14	–	14
TeleCycle Limited	666	–	666
TeleCycle Europe Limited	71,390	–	71,390
PKL Holding Limited	319	–	319
Majestic Global Corporation	359,398	–	359,398
WSF Commodities Investment Holding Limited	1,866	–	1,866
	<u>439,229</u>	<u>–</u>	

14. TRADE PAYABLES

The ageing analysis of the trade payables, based on invoice dates, is as follows:

	31.12.2019	31.12.2020
Within one month	110,009	1,202,822
1-3 months	333,380	787,837
Over 3 months	987	68,728
	<u>444,376</u>	<u>2,059,387</u>

15. AMOUNTS DUE TO RELATED COMPANY/A DIRECTOR

The amounts are unsecured, interest free and repayable on demand.

<i>Name of companies</i>	<i>31.12.2019</i>	<i>31.12.2020</i>	<i>Maximum amount outstanding during the year</i>
Related company			
WSF Group Limited	<u>4,048,945</u>	<u>–</u>	4,048,945
Director			
Lai Yu Pok Peter	<u>5,043</u>	<u>–</u>	5,043

16. IMPORT LOANS

Majestic Corporation Limited (HK) has obtained credit facilities from its bankers as secured by guarantees of the director and a related company together with fixed deposit of Majestic Corporation Limited (HK). The loans are interest bearing at LIBOR+1.45 per cent. and repayable in 120 days from the drawdown date which has multiple repayment dates.

17. SHARE CAPITAL

	31.12.2019	31.12.2020
Issued and fully paid		
1 ordinary share at HK\$1	<u>1</u>	<u>1</u>

Majestic Corporation Limited (HK) has one class of ordinary share which carry no right to fixed income.

Capital management

Majestic Corporation Limited (HK) primary objectives when managing capital are to safeguard Majestic Corporation Limited (HK) ability to continue as a going concern, so that it can continue to provide returns to shareholder. Majestic Corporation Limited (HK) defines “capital” as including all components of equity.

Majestic Corporation Limited (HK) capital structure is regularly reviewed and managed with due regard to the capital management practices of Majestic Corporation Limited (HK). In order to maintain or adjust the capital structure, Majestic Corporation Limited (HK) monitors capital by regularly reviewing debts to capital ratio, being the measure of Majestic Corporation Limited (HK) ability to pay off all debts that reflects financial health and liquidity position. Adjustments are made to the capital structure in light of changes in economic conditions affecting Majestic Corporation Limited (HK), to the extent that these do not conflict with the director’s fiduciary duties towards Majestic Corporation Limited (HK).

Majestic Corporation Limited (HK) was not subject to externally imposed capital requirements during the year and at 31 December 2020.

18. LEASE COMMITMENTS

Majestic Corporation Limited (HK) had the following total future minimum lease payments payable under non-cancellable operating leases:

	31.12.2019	31.12.2020
– not later than one year	23,369	37,141
– later than one year and not later than five years	–	21,666
	<u>23,369</u>	<u>58,807</u>

19. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in these financial statements, Majestic Corporation Limited (HK) had the following material transactions with related parties:

Peter Lai Yu Pok is the director of the below company.

Name of related party	Nature of transactions	31.12.2019	31.12.2020
MC Asset Malaysia Sdn. Bhd.	Tolling fee	<u>1,080,000</u>	<u>1,716,000</u>

20. FINANCIAL RISK MANAGEMENT

Exposure to credit, liquidity, interest rate, foreign currency and equity price risks arises in the normal course of Majestic Corporation Limited (HK) business. Majestic Corporation Limited (HK) exposure to these risks and the financial risk management policies and practices used by Majestic Corporation Limited (HK) to manage these risks are described below.

a. Credit risk management

In order to minimise credit risk, credit approvals and monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts.

b. Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for management of Majestic Corporation Limited (HK) short, medium and long-term funding and liquidity management requirements. Majestic Corporation Limited (HK) manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

c. Market risk management – interest rate risk

Majestic Corporation Limited (HK) draws import loans to maintain stable cashflow. The loan is interest bearing at LIBOR+1.45 per cent. 5 per cent. is the sensitivity rate used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. Majestic Corporation Limited (HK) sensitivity to a 5 per cent. increase and decrease in LIBOR is as follow:

	31.12.2019	31.12.2020
5 per cent. increase effect on profit for the year	(2,928)	(636)
5 per cent. decrease effect on profit for the year	2,928	636

d. Market risk management – foreign currency risk

Majestic Corporation Limited (HK) undertakes most of the transactions denominated in United States Dollar with few transactions denominated in Euro. 5 per cent. is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's

assessment of the reasonably possible change in foreign exchange rates. Majestic Corporation Limited (HK) sensitivity to a 5 per cent. increase and decrease in Euro against United States Dollar is as follow:

	31.12.2019	31.12.2020
5 per cent. increase effect on profit for the year	(22,223)	(57,328)
5 per cent. decrease effect on profit for the year	22,223	57,328

22. COVID-19 SUBSEQUENT EVENT

The outbreak of the coronavirus (COVID-19) since early January 2020 has had a significant impact on the economy and social well-being worldwide. The year ended 31 December 2020 was impacted although the management do not consider the impact to be significant. The management of Majestic Corporation Limited (HK) maintains a positive and strong cash position to deal with all its liabilities when they fall due. The management will pay close attention to the development of the COVID-19 outbreak and evaluate its impact on the financial position and operating results Majestic Corporation Limited (HK).

23. FINANCIAL INSTRUMENTS BY CATEGORY

	31.12.2019	31.12.2020
Financial assets:		
Amortised cost		
Trade receivables	81,251	812,079
Prepayments, deposits and other receivables	737,975	753,982
Amount due from related companies	439,229	–
Cash in bank and on hand	1,588,849	2,347,117
	<u>2,847,304</u>	<u>3,913,178</u>
Financial liabilities:		
Amortised cost		
Trade payables	444,376	2,059,387
Deposits received and other payables	624,583	352,554
Amount due to related company	4,048,945	–
Amount due to director	5,043	–
Import loans	2,516,671	1,957,853
	<u>7,639,618</u>	<u>4,369,794</u>

24. CONTROLLING PARTY

The controlling party of Majestic Corporation Limited (HK) is Peter Lai Yu Pok.

**Section B – Review report on the interim financial information of Majestic Corporation Limited
(the Hong Kong subsidiary, “Majestic Corporation Limited (HK)”)**



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9 March 2022

Private and Confidential

The Directors
Majestic Corporation Plc
1 High Street Mews
Wimbledon Village
London
United Kingdom
SW19 7RG

Guild Financial Advisory Limited
382 Russell Court
Woburn Place
London
England
WC1H 0NH

Dear Sirs

Majestic Corporation Plc (the “Company”)

**Interim financial information of Majestic Corporation Limited (the Hong Kong subsidiary,
“Majestic Corporation Limited (HK)”)**

Introduction

We report on the interim financial information set out in Section B of Part III. This financial information has been prepared for inclusion in the admission document dated 9 March 2022 of the Company (the “Admission Document”) on the basis of the accounting policies set out in note 2 to the financial information.

This report is in support of the Admission Document and is given for no other purpose. We have not audited or reviewed the financial information for the six months ended 30 June 2020 which has been included for comparative purposes only and accordingly do not express an opinion thereon.

Responsibilities

The directors of the Majestic Corporation Limited (HK) are responsible for preparing the interim financial information in accordance with International Accounting Standard 34 “Interim Financial Reporting”, as adopted by the European Union. It is our responsibility to express a conclusion based on our review of the interim financial information. To the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement consenting to its inclusion in the Admission Document.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” (ISRE 2410).

A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of Majestic Corporation Limited (HK) for the six months ended 30 June 2021 is not prepared, in all material respects, in accordance with the requirements of International Accounting Standard 34, as adopted by the European Union.

Declaration

In support of section 1.3 of Table A in Appendix I of the AQSE Growth Market Access Rules we are responsible for this report as part of the Admission Document and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and makes no omission likely to affect its import.

Yours faithfully

A handwritten signature in black ink that reads "Kreston Reeves LLP". The signature is written in a cursive, slightly slanted style.

Kreston Reeves LLP

**UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2020 & 30 JUNE 2021**

(Expressed in United States Dollar)

	<i>Notes</i>	<i>30.6.2020</i>	<i>30.6.2021</i>
Turnover	5	14,408,189	15,493,532
Cost of goods sold		<u>(13,902,558)</u>	<u>(14,455,590)</u>
Gross Profit		505,631	1,037,942
Other income	5	111,351	87,721
Administrative expenses		<u>(305,163)</u>	<u>(359,846)</u>
Profit from operation and before taxation	6	311,819	765,817
Taxation	9	<u>–</u>	<u>–</u>
Profit for the period		311,819	765,817
Other comprehensive income for the period		<u>–</u>	<u>–</u>
Total comprehensive income for the period		<u><u>311,819</u></u>	<u><u>765,817</u></u>

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020 & 30 JUNE 2021**

(Expressed in United States Dollar)

	<i>Notes</i>	<i>31.12.2020</i>	<i>30.6.2021</i>
CURRENT ASSETS			
Inventories	10	5,917,953	8,678,173
Trade receivables	11	812,079	1,404,661
Prepayments, deposits and other receivables		753,982	1,074,926
Amounts due from related companies	12	–	1,187,748
Amount due from shareholder	13	–	232,735
Cash in bank and on hand		2,347,117	1,891,366
		<u>9,831,131</u>	<u>14,469,609</u>
CURRENT LIABILITIES			
Trade payables	14	2,059,387	3,577,024
Deposits received		288,453	633,542
Accruals and other payables		64,101	30,315
Amount due to related company	15	–	1,926,697
Import loans	16	1,957,853	2,111,110
Tax payable		64,253	28,020
		<u>4,434,047</u>	<u>8,306,708</u>
NET CURRENT ASSETS		<u>5,397,084</u>	<u>6,162,901</u>
NET ASSETS		<u>5,397,084</u>	<u>6,162,901</u>
CAPITAL AND RESERVE			
Share capital	17	1	1
Capital reserve		4,767,431	4,767,431
Retained profits		629,652	1,395,469
		<u>5,397,084</u>	<u>6,162,901</u>

**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2020 & 30 JUNE 2021**

(Expressed in United States Dollar)

	<i>Share capital</i>	<i>Capital reserve</i>	<i>Retained profits</i>	<i>Total</i>
Balance as at 1 January 2020	1	–	256,101	256,102
Profit for the period	–	–	311,819	311,819
Balance as at 30 June 2020	<u>1</u>	<u>–</u>	<u>567,920</u>	<u>567,921</u>
Balance as at 1 January 2021	1	4,767,431	629,652	5,397,084
Profit for the period	–	–	765,817	765,817
Balance as at 30 June 2021	<u>1</u>	<u>4,767,431</u>	<u>1,395,469</u>	<u>6,162,901</u>

**UNAUDITED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 30 JUNE 2020 & 30 JUNE 2021**

(Expressed in United States Dollar)

	30.6.2020	30.6.2021
OPERATING ACTIVITIES		
Profit for the period	311,819	765,817
Adjustment:		
Cost of goods sold	<u>13,902,558</u>	<u>14,455,590</u>
Operating profit before working capital changes	14,214,377	15,221,407
Changes in working capital		
Purchase of inventories	(13,043,000)	(17,215,810)
Increase in trade and other receivables	(987,484)	(2,334,009)
Increase in trade and other payables	<u>1,107,363</u>	<u>3,719,404</u>
NET CASH GENERATED/(USED) TO OPERATING ACTIVITIES	<u>1,291,256</u>	<u>(609,008)</u>
INVESTING ACTIVITIES		
NET CASH USED TO INVESTING ACTIVITIES	<u>—</u>	<u>—</u>
FINANCING ACTIVITIES		
(Repayment)/Withdrawal of import loans	<u>(640,991)</u>	<u>153,257</u>
NET CASH (USED)/GENERATED FROM FINANCING ACTIVITIES	<u>(640,991)</u>	<u>153,257</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	650,265	(455,751)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,588,849</u>	<u>2,347,117</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>2,239,114</u></u>	<u><u>1,891,366</u></u>

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2020 & 30 JUNE 2021

(Expressed in United States Dollar)

1. GENERAL

Majestic Corporation Limited (HK) is a private limited company incorporated and domiciled in Hong Kong.

The address of its registered office and the principal place of business are located at Unit 1203, 12/F, CC Wu Building, 302-308 Hennessy Road, Wan Chai, Hong Kong. Majestic Corporation Limited (HK) was engaged in information technology assets management and recovery including processing, re-sales and recycling of metal scrap materials during the period.

The financial statements are presented in United States Dollars.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board ("IASB") and Hong Kong Companies Ordinance (Cap. 622). The financial statements have been prepared on a going concern basis.

3. ADOPTION OF NEW AND REVISED STANDARDS

In 2020, Majestic Corporation Limited (HK) has initially applied the new and revised IFRSs issued by the IASB that are first effective for accounting periods beginning on or after 1 January 2020 and are relevant to Majestic Corporation Limited (HK) financial statements, including:

IFRS 3	Definition of a Business (amendments)
IAS 1 and IAS 8	Definition of Material (amendments)
Revised Conceptual Framework for Financial Reporting	
IFRS 16	Covid-19-Related Rent Concessions (amendments)

The application of the new and revised IFRSs has no material effects on Majestic Corporation Limited (HK) financial performance and positions.

4. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted are set out below.

a. Basis of accounting

The financial statements have been prepared under the historical cost basis.

b. Revenue recognition

Revenue from the sales of goods is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's specific location. Following delivery, the customer has full discretion over the usage of the goods, has the primary responsibility when onselling the goods and bears the risks in relation to the goods. A receivable is recognised by Majestic Corporation Limited (HK) when the goods are delivered to the customers as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Interest income is recognised as other income as it accrues using the effective interest method

c. Cash and cash equivalents

Cash and cash equivalents include demand deposits and other short-term highly liquid investments with original maturities of three months or less.

d. Trade and other receivables

Trade and other receivables are stated at estimated realisable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and charged to the income statement.

e. Trade and other payables

Trade and other payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

f. Translation of foreign currency

Foreign currency transactions during the period are translated into United States Dollars at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into United States Dollars at the market rates of exchange ruling at the reporting date. Exchange gains and losses on foreign currency translation are dealt with in the statement of income and retained earnings.

g. Taxation

Income tax expense represents current tax expense. The income tax payable represents the amounts expected to be paid to the tax authority, using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not provided.

h. Inventories

Inventories are stated at the lower of cost and net realisable value. In arriving at net realisable value an allowance has been made for deterioration and obsolescence.

i. Leases

Leases are classified as operating leases and the rentals receivable or payable under these leases are credited or charged to the statement of income and retained earnings on a straight line basis over the duration of the leases.

j. Employee benefits

Salaries, annual bonuses, paid annual leave, contributions to defined contribution plans and the cost of non-monetary benefits are accrued in the period in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Termination benefits are recognised when, and only when, Majestic Corporation Limited (HK) demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

k. Related parties

For the purposes of these financial statements, related party includes a person and entity as defined below:

- (a) A person, or a close member of that person's family, is related to Majestic Corporation Limited (HK) if that person:
 - i. has control or joint control over Majestic Corporation Limited (HK);
 - ii. has significant influence over Majestic Corporation Limited (HK); or
 - iii. is a member of the key management personnel of Majestic Corporation Limited (HK) or Majestic Corporation Limited (HK) parent.
- (b) An entity is related to Majestic Corporation Limited (HK) if any of the following conditions applies:
 - i. The entity and Majestic Corporation Limited (HK) are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

- iii. Both entities are joint ventures of the same third party.
- iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- v. The entity is a post-employment benefit plan for the benefit of employees of either Majestic Corporation Limited (HK) or an entity related to Majestic Corporation Limited (HK).
- vi. The entity is controlled or jointly controlled by a person identified in (a).
- vii. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- viii. The entity, or any member of a group of which it is a part, provides key management personnel services to Majestic Corporation Limited (HK) or to Majestic Corporation Limited (HK) parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

5. TURNOVER AND OTHER INCOME

Turnover represents the amounts received and receivables for goods sold to the customers. Turnover and other income recognised during the period are as follows:

	30.6.2020	30.6.2021
Turnover		
Sales to Japan	12,440,363	12,810,838
Sales to Malaysia	1,967,826	2,682,694
	<u>14,408,189</u>	<u>15,493,532</u>
Other income		
Interest Income	3,909	165
Exchange gain	107,442	87,556
	<u>111,351</u>	<u>87,721</u>

6. PROFIT FROM OPERATION AND BEFORE TAXATION

Profit from operation and before taxation have been arrived at after charging:

	30.6.2020	30.6.2021
Audit and professional fees	-	-
Bad debt written off	21,438	83,687
Cost of goods sold	13,902,558	14,455,590
	<u>13,923,996</u>	<u>14,539,277</u>

7. DIRECTOR'S REMUNERATIONS

Director's remunerations disclosed pursuant to section 383(1) of the Hong Kong Company Ordinance (Cap.622) is as follows:

	30.6.2020	30.6.2021
Fees	-	-
Other emoluments	43,286	39,857
	<u>43,286</u>	<u>39,857</u>

8. STAFF COST

	30.6.2020	30.6.2021
Salary for 6 staff	55,047	56,593
Mandatory provident fund	2,597	3,147
	<u>57,644</u>	<u>59,740</u>

9. TAXATION

Hong Kong profits tax is payable at the rate of 8.25 per cent. on the assessable profits up to HK\$2 million and 16.5 per cent. on any part of assessable profits over HK\$2 million during the year. For the year of assessment 2020/21, 100 per cent. of tax payable would be waived, subject to a ceiling of HK\$10,000. No provision has been made for tax at 30 June 2021 (30 June 2020: \$nil) as the effective rate of taxation was unknown at the balance sheet date.

10. INVENTORIES

Inventories comprise entirely of stock in trade.

	31.12.2020	30.6.2021
Stock in warehouse	4,130,235	838,476
Stock in transit	1,787,718	7,839,697
	<u>5,917,953</u>	<u>8,678,173</u>

11. TRADE RECEIVABLES

The ageing analysis of the trade receivables, based on invoice dates, is as follows:

	31.12.2020	30.6.2021
Within one month	812,079	1,404,661
1-3 months	–	–
Over 3 months	–	–
	<u>812,079</u>	<u>1,404,661</u>

Trade receivables disclosed above include amounts which are past due at the end of the reporting period against which Majestic Corporation Limited (HK) has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are recovered subsequent to the reporting date. Majestic Corporation Limited (HK) does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by Majestic Corporation Limited (HK) to the counterparty.

12. AMOUNTS DUE FROM RELATED COMPANIES

Amounts due from related companies of Majestic Corporation Limited (HK) disclosed pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance (Cap. 622) and 622G15(3)(b) of Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622) are as follows:

The amounts are unsecured, interest free and receivable on demand.

<i>Name of companies</i>	<i>31.12.2019</i>	<i>31.12.2020</i>	<i>Maximum amount outstanding/ Transactions during the year</i>
TeleCycle Europe Limited	–	160,096	160,096
Majestic Global Corporation	–	845,988	845,988
Konbatas	–	181,664	181,664
	<u>–</u>	<u>1,187,748</u>	

13. AMOUNT DUE FROM SHAREHOLDER

Amount due from shareholder of Majestic Corporation Limited (HK) disclosed pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance (Cap. 622) and 622G15(3)(b) of Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622) are as follows:

The amounts are unsecured, interest free and receivable on demand.

<i>Name of shareholder</i>	<i>31.12.2020</i>	<i>30.6.2021</i>	<i>Maximum amount outstanding/ Transactions during the period</i>
Peter Lai Yu Pok	<u>–</u>	<u>232,735</u>	232,735

14. TRADE PAYABLES

The ageing analysis of the trade payables, based on invoice dates, is as follows:

	<i>31.12.2020</i>	<i>30.6.2021</i>
Within one month	1,202,822	2,058,935
1-3 months	787,837	1,035,685
Over 3 months	68,728	482,404
	<u>2,059,387</u>	<u>3,577,024</u>

15. AMOUNT DUE TO RELATED COMPANY

The amounts are unsecured, interest free and repayable on demand.

<i>Name of companies</i>	<i>31.12.2020</i>	<i>30.6.2021</i>	<i>Maximum amount outstanding/ Transaction during the period</i>
MC Asset Malaysia Sdn Bhd	–	1,926,697	1,926,697

16. IMPORT LOANS

Majestic Corporation Limited (HK) has obtained credit facilities from its bankers as secured by guarantees of the director and a related company together with fixed deposit of Majestic Corporation Limited (HK). The loans are interest bearing at LIBOR+1.45 per cent. and repayable in 120 days from the drawdown date which has multiple repayment dates.

17. SHARE CAPITAL

	<i>31.12.2020</i>	<i>30.6.2021</i>
Issued and fully paid 1 ordinary share at HK\$1	1	1

Majestic Corporation Limited (HK) has one class of ordinary share which carry no right to fixed income.

Capital management

Majestic Corporation Limited (HK) primary objectives when managing capital are to safeguard Majestic Corporation Limited (HK) ability to continue as a going concern, so that it can continue to provide returns to shareholder. Majestic Corporation Limited (HK) defines “capital” as including all components of equity.

Majestic Corporation Limited (HK) capital structure is regularly reviewed and managed with due regard to the capital management practices of Majestic Corporation Limited (HK). In order to maintain or adjust the capital structure, Majestic Corporation Limited (HK) monitors capital by regularly reviewing debts to capital ratio, being the measure of Majestic Corporation Limited (HK) ability to pay off all debts that reflects financial health and liquidity position. Adjustments are made to the capital structure in light of changes in economic conditions affecting Majestic Corporation Limited (HK), to the extent that these do not conflict with the director’s fiduciary duties towards Majestic Corporation Limited (HK).

Majestic Corporation Limited (HK) was not subject to externally imposed capital requirements during the period and at 30 June 2021.

18. LEASE COMMITMENTS

Majestic Corporation Limited (HK) had the following total future minimum lease payments payable under non-cancellable operating leases:

	<i>31.12.2020</i>	<i>30.6.2021</i>
– not later than one year	37,141	37,141
– later than one year and not later than five years	21,666	3,127
	<u>58,807</u>	<u>40,268</u>

19. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in these financial statements, Majestic Corporation Limited (HK) had the following material transactions with related parties:

Peter Lai Yu Pok is the director of the below company.

<i>Name of related party</i>	<i>Nature of transactions</i>	<i>30.6.2020</i>	<i>30.6.2021</i>
MC Asset Malaysia Sdn. Bhd.	Tolling fee	<u>858,000</u>	<u>1,110,000</u>

20. FINANCIAL RISK MANAGEMENT

Exposure to credit, liquidity, interest rate, foreign currency and equity price risks arises in the normal course of Majestic Corporation Limited (HK) business. Majestic Corporation Limited (HK) exposure to these risks and the financial risk management policies and practices used by Majestic Corporation Limited (HK) to manage these risks are described below.

a. Credit risk management

In order to minimise credit risk, credit approvals and monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts.

b. Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for management of Majestic Corporation Limited (HK) short, medium and long-term funding and liquidity management requirements. Majestic Corporation Limited (HK) manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

c. Market risk management – interest rate risk

Majestic Corporation Limited (HK) draws import loans to maintain stable cashflow. The loan is interest bearing at LIBOR+1.45 per cent. 5 per cent. is the sensitivity rate used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. Majestic Corporation Limited (HK) sensitivity to a 5 per cent. increase and decrease in LIBOR is as follow:

	<i>31.12.2020</i>	<i>30.6.2021</i>
5 per cent. increase effect on profit for the year	(636)	(170)
5 per cent. decrease effect on profit for the year	636	170

d. Market risk management – foreign currency risk

Majestic Corporation Limited (HK) undertakes most of the transactions denominated in United States Dollar with few transactions denominated in Euro. 5 per cent. is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. Majestic Corporation Limited (HK) sensitivity to a 5 per cent. increase and decrease in Euro against United States Dollar is as follow:

	<i>31.12.2020</i>	<i>30.6.2021</i>
5 per cent. increase effect on profit for the year	(57,328)	(87,165)
5 per cent. decrease effect on profit for the year	57,328	87,165

22. COVID-19 SUBSEQUENT EVENT

The outbreak of the coronavirus (COVID-19) since early January 2020 has had a significant impact on the economy and social well-being worldwide. The period ended 30 June 2021 was impacted although the management do not consider the impact to be significant. The management of Majestic Corporation Limited

(HK) maintains a positive and strong cash position to deal with all its liabilities when they fall due. The management will pay close attention to the development of the COVID-19 outbreak and evaluate its impact on the financial position and operating results of Majestic Corporation Limited (HK).

23. FINANCIAL INSTRUMENTS BY CATEGORY

	<i>31.12.2020</i>	<i>30.6.2021</i>
Financial assets:		
Amortised cost		
Trade receivables	812,079	1,404,661
Prepayments, deposits and other receivables	753,982	1,074,926
Amounts due from related companies	–	1,187,748
Amount due from shareholder	–	232,735
Cash in bank and on hand	<u>2,347,117</u>	<u>1,891,366</u>
	<u>3,913,178</u>	<u>5,791,436</u>
Financial liabilities:		
Amortised cost		
Trade payables	2,059,387	3,577,024
Deposits received and other payables	352,554	663,857
Amount due to related company	–	1,926,697
Import loans	<u>1,957,853</u>	<u>2,111,110</u>
	<u>4,369,794</u>	<u>8,278,688</u>

24. CONTROLLING PARTY

The controlling party of Majestic Corporation Limited (HK) is Peter Lai Yu Pok.

PART IV

ADDITIONAL INFORMATION

1. Responsibility

- 1.1 The Directors, whose names appear on page 4 of this Document, accept full responsibility, collectively and individually, for the information contained in this Document. To the best of the Directors' knowledge and belief (who have each taken all reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and contains no omission likely to affect its import.
- 1.2 In connection with this Document, no person is authorised to give any information or make any representations other than as contained in this Document and, if given or made, such information or representation must not be relied upon as having been so authorised.

2. The Company

- 2.1 The Company was incorporated in England and Wales as a private limited company under the Companies Act 2006 on 10th December 2021 with company number 13795187.
- 2.2 The Company is a public limited company and, accordingly, the liability of its members is limited. The principal legislation under which the Company operates is the Companies Act, the laws of England and Wales and the regulations made thereunder.
- 2.3 The registered office of the Company is at 1 High Street Mews, Wimbledon Village, London, United Kingdom SW19 7RG.
- 2.4 The legal entity identifier of the Company is 213800WR5NVLL1UII848.
- 2.5 The accounting reference date of the Company is 31 December.
3. The Company acts as the ultimate holding company for Majestic. Other than the foregoing, as at the date of this Document, the Company has no other subsidiaries or interests in the shares of any undertaking

4. Further Details Regarding Group and the Affiliated Companies

- 4.1 As the date of this Document, the Company has the following subsidiaries:

<i>Name of Subsidiary</i>	<i>Place of Incorporation</i>	<i>Registration Number</i>	<i>Ownership per cent.</i>
Majestic Corporation Limited	Hong Kong, PRC	2585678	100

- 4.2 The Affiliated Companies comprise:

<i>Name of Affiliate</i>	<i>Place of Incorporation</i>	<i>Registration Number</i>	<i>Ownership</i>
Majestic Global Corporation	United States of America	18007064	Peter Lai
MC Asset Malaysia SDN BHD	Malaysia	2018010099	Peter Lai
Telecycle Europe Limited	United Kingdom	09315939	Peter Lai
Sider Rottami Adriatica Spa	Italy	PS67912	Gianfranco Guerra

5. Share Capital

- 5.1 As at the date of this Document, the Company has 20,000,000 Ordinary Shares of £0.005 each in issue.
- 5.2 The Company was incorporated with a share capital of £2.00 divided into 2 Ordinary Shares with a par value of £1.00 each.
- 5.3 Since incorporation, there have been the following changes to the issued share capital of the Company:
- 5.3.1 The Company was incorporated with an issued share capital of £2.00 divided into 2 ordinary shares with a nominal value of £1.00 each.
- 5.3.2 Pursuant to unanimous written resolutions of the Company's sole shareholder passed on 15 February 2022, the Company resolved, amongst other matters, that:
- (a) the 2 ordinary shares of £1.00 each in the issued share capital of the Company be consolidated and divided into 200 ordinary shares of £0.005 each;
 - (b) all the unissued shares of the Company be consolidated and subdivided into ordinary shares of £0.005 each;
 - (c) the Company entered into a share swap agreement (described under "Material Contracts" below) pursuant to which the Company acquired the entire issued share capital of Majestic Corporation Limited, a Hong Kong incorporated company, from Peter Lai, the sole shareholder, in exchange for the allotment and issue to Peter Lai and family interests of Mr. Peter Lai of an aggregate of 6,555,422 ordinary shares of £0.005 each, all credited as fully paid up.
- 5.3.3 Pursuant to unanimous written resolutions passed by the Company's sole shareholder on 18 February 2022, the Company resolved:
- (a) the Directors be generally authorised pursuant to section 551 of the Act to issue and allot 6,555,822 ordinary shares of the Company of £0.005 each by way of a one for one bonus issue, such bonus issue to be credited as fully paid up as to their nominal value out of the Company's share premium account in accordance with section 610 (3) of the Companies Act; and
 - (b) in accordance with section 570 of the Act, the Directors be given the general power to allot equity securities (as defined in section 560 of the Act) on such terms as they see fit, pursuant to the above authority in paragraph (b) above as if section 561(1) of the Act did not apply to such allotments.
- 5.3.4 Pursuant to unanimous written resolutions passed by the Company's sole shareholder on 21 February 2022, the Company resolved, amongst other matters, that:
- (a) the Company be reregistered as a public limited company and that the Articles be adopted;
 - (b) the Directors be generally authorised pursuant to section 551 of the Act to issue and allot shares in the Company or grant rights to subscribe for or to convert any security into shares of the Company as follows:
 - (i) Such number of Shares as may be necessary to satisfy the demand for Shares of £0.005 each to be acquired by the investors in a private placing (Placing) of Shares to family, friends and employees of the Company being conducted by the Company at a placing price of £0.25 per ordinary share (Placing Shares) up to an aggregate amount of Placing Shares to be subscribed of 1,476,850;
 - (ii) Subject to and conditional upon the Reregistration being approved and the Placing being completed, 5,411,506 ordinary shares of £0.005 each (Bonus Shares) by way of a bonus issue of Shares on a pro rata basis to the holders of all of the issued Shares of the Company after the Placing (the Bonus Issue), such Bonus Issue to be conducted at the par value of £0.005 per Share at an aggregate cost to the Company of £27,057.53, such Bonus Shares to be credited as fully paid; and

- (iii) Such number of Shares of £0.005 each as is equal to an aggregate nominal amount equal to 33 per cent. of the Company's issued share capital after the issue of the Placing Shares and the Bonus Shares on such terms and conditions as the directors of the Company (or a duly constituted committee of the directors) may see fit (**General Mandate**):
- (c) in accordance with section 570 of the Act, the Directors be given the general power to allot equity securities (as defined in section 560 of the Act) on such terms as they see fit, pursuant to the above authority in paragraph (b) above as if section 561(1) of the Act did not apply to such allotments save that the authority granted by (c) (iii) above is limited to the General Mandate nominal amount.

5.4 The issued share capital of the Company as at the date of this Document and immediately following Admission are and will be as follows:

	<i>Nominal value</i>	<i>Issued and fully paid at the date of this Document</i>	<i>Issued and fully paid at Admission</i>
Ordinary Shares	£0.005	20,000,000	20,000,000

5.5 Save as disclosed in this Document:

- 5.5.1 no issued Ordinary Shares of the Company are under option or have been agreed conditionally or unconditionally to be put under option;
 - 5.5.2 no Ordinary Share or loan capital of the Company has been issued or is now proposed to be issued, fully or partly paid, either for cash or for a consideration other than cash;
 - 5.5.3 no commission, discount, brokerage or any other special term has been granted by the Company is now proposed in connection with the issue or sale of any part of the Ordinary Share or loan capital of the Company;
 - 5.5.4 no persons have preferential subscription rights in respect of any Ordinary Share or loan capital of the Company or any subsidiary; and
 - 5.5.5 no amount or benefit has been paid or is to be paid or given to any promoter of the Company.
- 5.6 The provisions of section 561 of the Companies Act confer on shareholders rights of pre-emption in respect of the allotment of securities which are, or are to be, paid up in cash (other than by way of allotments to employees under any employee share scheme as defined in section 1166 of the Act). Subject to certain limited exceptions, unless the approval of shareholders is obtained by special resolution in a general meeting of the Company, the Company must normally offer Ordinary Shares to be issued for cash to existing shareholders on a pro rata basis.
- 5.7 Prior to Admission, the Company's share capital consists of one class of shares being the Ordinary Shares, all of which have equal voting rights and are freely transferrable in both certificated and uncertificated form. No Shareholder has any different voting rights from any other Shareholder. The same rights will apply to the Company's Issued Share Capital following Admission.
- 5.8 Application will be made for the Ordinary Shares to be listed on the Access segment of the AQSE Growth Market. The Ordinary Shares are not listed or traded on, and no application has been or is being made for the admission of the Ordinary Shares to listing or trading on, any other stock exchange or securities market.
- 5.9 As at the date of this Document, and save as disclosed in this Document, the Company will have no short, medium or long-term indebtedness.

6. General Meeting and Authorities Relating to the Ordinary Shares

Pursuant to the unanimous written resolutions referred to in paragraph 5.3.4 above passed on 21 February, 2022, the directors are authorised to allot Ordinary Shares pursuant to section 551 of the Act up to an aggregate nominal amount of equal to 33 per cent. of the Company's issued share capital after the issue of

the Placing Shares and the Bonus Shares (as defined in paragraph 5.3.4) on such terms and conditions as the directors of the Company (or a duly constituted committee of the directors) may see fit, which will be equal to up to 6,600,000 ordinary shares of £0.005 each with an aggregate nominal value of up to £33,000, all of which may be allotted free of the statutory pre-emption rights referred to in paragraph 5.6 of this Part V.

7. Articles of Association

Set out below is a summary of the provisions of the Articles adopted on 21 February 2022. A copy of the Articles is available for inspection on the Company's website at www.majestic-corp-investor.com.

The Articles contain no specific restrictions on the Company's objects and therefore, by virtue of Section 31(1) of the Companies Act 2006, the Company's objects are unrestricted.

The Articles contain, *inter alia*, provisions to the following effect:

(a) **Share capital**

The Company's issued share capital currently consists of Ordinary Shares. The Company may issue shares with such rights or restrictions as may be determined by ordinary resolution, including shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder of such shares.

(b) **Voting**

The Shareholders have the right to receive notice of, and to vote at, general meetings of the Company. Such notice shall specify whether the meeting shall be a physical or electronic meeting or a hybrid meeting. Any resolution put to the vote of a general meeting must be decided exclusively on a poll. Votes may be given in person (including virtually) at the meeting or by proxy. A member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way. Every such holder who is present in person (or, being a corporation, by representative) (including virtually) or by proxy has one vote in respect of every share held by him. All voting at Shareholder meetings is to be held upon a poll.

(c) **Variation of rights**

Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may be varied or abrogated either with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a general meeting of the holders of the shares of that class and may be so varied and abrogated whilst the Company is a going concern or during or in contemplation of a winding up.

(d) **Dividends**

The Company may, subject to the provisions of the Companies Act 2006 and the Articles, by ordinary resolution from time to time declare dividends to be paid to members not exceeding the amount recommended by the Directors. Subject to the provisions of the Companies Act 2006 in so far as, in the Directors' opinions, the Company's profits justify such payments, the Directors may pay interim dividends on any class of shares. Any dividend unclaimed after a period of 12 years from the date such dividend was declared or became payable shall, if the Directors resolve, be forfeited and shall revert to the Company. No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.

(e) **Distribution of assets in liquidation**

If the Company is wound up (whether the liquidation is voluntary, under supervision of the court or by the court), the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Companies Act 2006, divide among the members in specie the whole or any part of the assets of the Company. For this purpose, the liquidator may set such value as he considers fair on any one or more class or classes of property and may determine how such division shall be carried out as between members or classes of members. The liquidator may, with the same

authority, transfer the whole or any part of the assets to trustees on such trusts for the benefit of members as he thinks fit.

(f) ***Transfer of Ordinary Shares***

Each member may transfer all or any of his shares which are in certificated form by means of an instrument of transfer in any usual form or in any other form which the Directors may approve. Each member may transfer all or any of his shares which are in uncertificated form by means of a 'relevant system'. The Board may, in its absolute discretion, refuse to register a transfer of certificated shares unless:

- (i) it is for a share which is fully paid up;
- (ii) it is for a share upon which the Company has no lien;
- (iii) it is only for one class of share;
- (iv) it is in favour of a single transferee or no more than four joint transferees;
- (v) it is duly stamped or is duly certificated or otherwise shown to the satisfaction of the Board to be exempt from stamp duty; and
- (vi) it is delivered for registration to the registered office of the Company (or such other place as the Board may determine), accompanied (except in the case of a transfer by a person to whom the Company is not required by law to issue a certificate and to whom a certificate has not been issued or in the case of a renunciation) by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor (or person renouncing) and the due execution of the transfer or renunciation by him or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so.

The Directors may refuse to register a transfer of uncertificated shares in any circumstances that are allowed or required by the uncertificated securities rules and the relevant system.

(g) ***Allotment of shares and pre-emption rights***

Subject to the Companies Act 2006, the Articles and to any relevant authority of the Company in general meeting required by the Act, the Board may offer, allot (with or without conferring rights of renunciation), grant options over or otherwise deal with or dispose of shares or grant rights to subscribe for or convert any security into shares to such persons, at such times and upon such terms as the Board may decide. No share may be issued at a discount to the nominal value of such share.

Subject to the Companies Act 2006 and to any rights attached to existing shares, any share may be issued with or have attached to it such rights and restrictions as the Company may by ordinary resolution determine, or if no ordinary resolution has been passed or so far as the resolution does not make specific provision, as the Directors may determine (including shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder of such shares).

In accordance with Section 551 of the Companies Act 2006, the Directors may be generally and unconditionally recognised to exercise all the powers of the Company to allot shares up to an aggregate nominal amount equal to the amount stated in the relevant ordinary resolution recognising such allotment. The provisions of Section 561 of the Companies Act 2006 (which confer on Shareholders rights of pre-emption in respect of the allotment of equity securities which are paid up in cash) apply to the Company except to the extent disapplied by special resolution of the Company. Such pre-emption rights have been disapplied to the extent referred to in Paragraph 5.3.4 above pursuant to the special resolution passed by the sole member.

(h) ***Alteration of share capital***

The Company may by ordinary resolution consolidate or divide all of its share capital into shares of larger nominal value than its existing shares, or cancel any shares which, at the date of the ordinary resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the nominal amount of shares so cancelled or sub-divide its shares, or any of them, into shares of smaller nominal value.

The Company may, in accordance with the Companies Act 2006, reduce or cancel its share capital or any capital redemption reserve or share premium account in any manner and with and subject to any conditions, authorities and consents required by law.

(i) **Directors**

Unless otherwise determined by the Company by ordinary resolution, the number of Directors (other than any alternate Directors) shall be at least two and not more than fifteen. Subject to the Articles and the Companies Act 2006, the Company may by ordinary resolution appoint a person who is willing to act to be a Director, either to fill a vacancy or as an addition to the existing Board but the total number of Directors shall not exceed any maximum number fixed in accordance with the Articles.

Subject to these Articles, the Board shall have power at any time to appoint any person who is willing to act as a Director, either to fill a vacancy or as an addition to the existing Board but the total number of Directors shall not exceed any maximum number fixed in accordance with these Articles.

At each annual general meeting of the Company all Directors shall retire from office except any Director appointed by the Board after the notice of that annual general meeting has been given and before that annual general meeting has been held.

Subject to the Companies Act 2006, these Articles and to any directions given by special resolution of the Company, the business of the Company will be managed by the Board, which may exercise all the powers of the Company, whether relating to the management of the business or not.

The quorum for a Directors' meeting shall be fixed from time to time by a decision of the Directors, but it must never be less than two and unless otherwise fixed, it is two. Questions arising at any Board meeting shall be determined by a majority of votes. In the case of an equality of votes the chairman of that meeting shall have a second or casting vote (unless he is not entitled to vote on the resolution in question).

Each of the Directors may be paid a fee at such rate as may from time to time be determined by the Board. However, the aggregate of all fees payable to the Directors (other than amounts payable under any other provision of the Articles) must not exceed £2,000,000 a year or such higher amount as may from time to time be decided by ordinary resolution of the Company. Any fees payable under this provision shall be distinct from any salary, remuneration or other amounts payable to a Director under any other provisions of the Articles and shall accrue from day to day. The Directors shall also be entitled to be paid all reasonable expenses properly incurred by them in connection with their attendance at meetings of Shareholders or class meetings, board or committee meetings or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

The Board may, in accordance with the requirements in the Article 62 recognises any matter proposed to them by any Director which would, if not recognised, involve a Director breaching his duty under the Companies Act 2006 to avoid conflicts of interests.

A Director seeking recognition in respect of such conflict shall declare to the Board the nature and extent of their interest in a conflict as soon as is reasonably practicable. The Director shall provide the Board with such details of the matter as are necessary for the Board to decide how to address the Conflict together with such additional information as may be requested by the Board.

Any recognition by the Board will be effective only if:

- (i) to the extent permitted by the Companies Act 2006, the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of the Articles;
- (ii) (any requirement as to the quorum for consideration of the relevant matter is met without counting the conflicted Director and any other conflicted Director; and
- (iii) the matter is agreed to without the conflicted Director voting or would be agreed to if the conflicted Director's and any other interested Director's vote is not counted.

Subject to the provisions of the Companies Act 2006, every Director, secretary or other officer of the Company (other than an auditor) is entitled to be indemnified against all costs, charges, losses, damages and liabilities incurred by him in the actual purported exercise or discharge of his duties or exercise of his powers or otherwise in relation to them.

(j) **General meetings**

The Company must convene and hold annual general meetings and general meetings in accordance with the Companies Act 2006. The Company is able to hold any Shareholder meeting as a physical meeting or as an electronic meeting or a hybrid meeting using any virtual or electronic platform provided that all Shareholders have the rights to: (i) attend and be heard at the meeting; and (ii) there is an opportunity to participate in poll voting (including the ability to submit an electronic vote) at the meeting.

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the choice or appointment of a Chair of the meeting which shall not be treated as part of the business of the meeting. Save as otherwise provided by the Articles, two Shareholders present in person or by proxy and entitled to vote shall be a quorum for all purposes.

(k) **Borrowing powers**

Subject to the Articles and the Companies Act 2006, the Board may exercise all of the powers of the Company to:

- (i) borrow money;
- (ii) indemnify and guarantee;
- (iii) mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company;
- (iv) create and issue debentures and other securities; and
- (v) give security either outright or as collateral security for any debt, liability or obligation of the Company or of any third-party.

(l) **Capitalisation of profits**

The Directors may, if they are so authorised by an ordinary resolution of the Shareholders, decide to capitalise any undivided profits of the Company (whether or not they are available for distribution), or any sum standing to the credit of the Company's share premium account or capital redemption reserve. The Directors may also, subject to the aforementioned ordinary resolution, appropriate any sum which they so decide to capitalise to the persons who would have been entitled to it if it were distributed by way of dividend and in the same proportions.

(m) **Uncertificated shares**

Subject to the Companies Act 2006 and the uncertificated securities rules, the Board may permit title to shares of any class to be evidenced otherwise than by certificate and title to shares of such a class to be transferred by means of a relevant system and may make arrangements for a class of shares (if all shares of that class are in all respects identical) to become a participating class. Title to shares of a particular class may only be evidenced otherwise, than by a certificate where that class of shares is at the relevant time a participating class.

The Board may also, subject to compliance with the uncertificated securities rules, determine at any time that title to any class of shares may from a date specified by the Board no longer be evidenced otherwise than by a certificate or that title to such a class shall cease to be transferred by means of any particular relevant system. The Board may take such other action that the Board considers appropriate to achieve the sale, transfer, disposal, forfeiture, re-allotment or surrender of an uncertificated share or otherwise, to enforce a lien in respect of it.

8. Directors & Partnerships

8.1 In addition to the directorships of the Company, the Directors hold or have held the following directorships (including directorships of companies registered outside England and Wales) or have been partners in the following partnerships within the five years prior to the date of this Document:

<i>Name</i>	<i>Current Directorships/Partnerships</i>	<i>Past Directorships/Partnerships</i>
Peter Lai	PKL Holdings Limited WSF Commodities Investment Holding Limited Rich Tower Global Limited TeleCycle Limited W.S.F. Asia Limited WSF Group Limited WSF Holdings Limited Konbatas Corporation Limited Konbatas Corporation Telecycle Europe Limited MC Asset Malaysia Sdn. Bhd.	None
Gianfranco Guerra	Sider Rottami Adriatica SPA	None
Chris Neoh	None	None
Man Bing (Joe) Lee	Leftley Rowe Corporate Finance Limited Leftley Rowe Group Limited (dormant) Gabbitas Limited	None
Larry Carter Howick	None	None

9. Directors' confirmations

9.1 As at the date of this Document, none of the Directors has:

9.1.1 any convictions in relation to fraudulent offences;

9.1.2 had any bankruptcy order made against him or entered into any voluntary arrangements;

9.1.3 been a director of a company which has been placed in receivership, insolvent liquidation, administration, been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;

9.1.4 been a partner in any partnership which has been placed in insolvent liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;

9.1.5 been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;

9.1.6 been publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or

9.1.7 been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a company.

9.2 The Directors do not currently have any potential conflicts of interest between their duties to the Company and their private interests or other duties that they may also have, other than the arrangements between Peter Lai and companies affiliated to Peter Lai set out in Related Party Transactions below.

10. Directors' Interests

- 10.1 On Admission, the interests of the Directors and their immediate families and, so far as they are aware having made due and careful enquiries, of persons connected with them (all of which are beneficial, unless otherwise stated) (so far as is known to the Directors, or could with reasonable diligence be ascertained by them) (within the meaning of sections 252 to 254 of the Act) in the Ordinary Shares is and will be as follows:

<i>Name</i>	<i>As at the date of this Document</i>		<i>On Admission</i>	
	<i>Number of Ordinary Shares held</i>	<i>Percentage of Ordinary Share Capital</i>	<i>Number of Ordinary Shares held</i>	<i>Percentage of Issued Share Capital</i>
Peter Lai	14,380,258	71.90	14,380,258	71.90

- 10.2 Save as disclosed in this Document, the Directors and their respective Connected Persons do not hold any options or warrants or other rights over any unissued Ordinary Shares of the Company.
- 10.3 Save as disclosed in this Document, immediately following Admission, no Director will have any interest, whether beneficial or non-beneficial, in the share capital of the Company.
- 10.4 There are no outstanding loans granted or guarantees provided by the Company to or for the benefit of any of the Directors.
- 10.5 No Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company during the current or immediately preceding financial year, or during any earlier financial year and which remains in any respect outstanding or unperformed.

11. Major Shareholders

- 11.1 As at 28 February 2022 (being the latest practicable date prior to the publication of this Document) the Company has been notified or is aware of the following holdings which will, following Admission, represent more than 5 per cent. of the Issued Share Capital or voting rights of the Company:

<i>Name</i>	<i>As at the date of this Document</i>		<i>On Admission</i>	
	<i>Number of Ordinary Shares held</i>	<i>Percentage of Ordinary Share Capital</i>	<i>Number of Ordinary Shares held</i>	<i>Percentage of Issued Share Capital</i>
Peter Lai	14,380,258	71.9	14,380,258	71.9
Li Ting Yang	1,438,026	7.19	1,438,026	7.19
Lionel Lai	1,078,519	5.39	1,078,519	5.39

- 11.2 As at 28 February 2022 (being the latest practicable date prior to the publication of this Document) the Company, was not aware of any other persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company, nor are they aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

Note: Li Ting Ling is the wife of Peter Lai and Lionel Lai is his adult son.

12. Relationship Agreement

The Company is controlled by Peter Lai (**Significant Shareholder**). On 21 February 2022, Mr. Lai entered into a relationship agreement with the Company, pursuant to which Mr. Lai undertakes amongst other things that:

- 12.1 the Group and the Business shall be managed for the benefit of the Shareholders as a whole and independently of the Significant Shareholder and any person associated with him (being the Shareholder Group);

- 12.2 all transactions, agreements and arrangements between any member of the Group; and any member of the Significant Shareholder's associates (which includes the Affiliated Companies); and the Significant Shareholder and any member of the Shareholder Group, shall be on an arm's length basis and on normal commercial terms;
- 12.3 the Board at all times will comprise at least two independent directors. The Company has committed to appoint an independent non-executive chairman with 6 months of Admission;
- 12.4 the remuneration committee and audit committee established by the Board from time to time and any other corporate governance Board Committee shall be comprised of two Independent Directors and shall be chaired by an Independent Director;
- 12.5 the quorum for any meeting of the Board or a Board Committee to consider a Board Reserved Matter shall be two Independent Directors and, in all other cases, shall be at least 3 Directors of whom the majority shall be Independent Directors unless a majority of the Independent Directors otherwise consent. A Board Reserved Matter is broadly any matter in which the Significant Shareholder has an interest including, for example any dealings with the Affiliates or changes to the trading terms with Affiliates;
- 12.6 only the Independent Directors shall be permitted to vote on any resolution of the Board or a Board Committee in respect of a Board Reserved Matter unless a majority of the Independent Directors otherwise consent;
- 12.7 subject to the Applicable Laws and the provisions of this deed, the Company shall be managed in accordance with the QCA Code, or any other corporate governance regime adopted by the Board from time to time; and
- 12.8 the provisions of this deed are properly and promptly observed and given full force and effect according to the spirit and intention of this deed.

The Relationship Agreement is conditional upon:

- (a) the Shares being and remaining admitted to trading on AQUIS (including, any period of suspension of trading); and
- (b) the Significant Shareholder individually or together with the Shareholder Group remaining interested in Voting Rights representing 20 per cent. or more of the rights to vote at a general meeting of the Company attaching to Shares.

13. Directors' terms of appointment

- 13.1 Mr. Peter Lai, the Company's Chairman and Chief Executive has entered into a service agreement with the Company the material terms of which include:
 - subject to the remaining terms of the service agreement, Mr. Lai's appointment shall continue until terminated by either party giving the other not less than 12 months prior notice in writing, which must be given not less than 90 days before the expiry of any rolling period of 12 months;
 - Mr. Lai shall be paid an initial salary of US\$15,000 per month (inclusive of any fees due to him by any Group Company as an officer of the Company);
 - An undertaking to comply at all times with the terms of the Relationship Agreement, breach of which shall constitute an automatic breach of Mr. Lai's service agreement and which may result in Mr. Lai's immediate removal from office; and
 - market standard non-compete terms both during the terms of the service agreement and thereafter for not less 12 months.
- 13.2 Mr. Joe Lee, the Company's Chief Financial Officer has entered into a service agreement with the Company the material terms of which include:
 - subject to the remaining terms of the service agreement, Mr. Lee's appointment shall continue until terminated by either party giving the other not less than 12 months prior notice in writing, which must be given not less than 90 days before the expiry of any rolling period of 12 months;

- Mr. Lee shall be paid an initial salary of £3,000 per month (inclusive of any fees due to him by any Group Company as an officer of the Company) in return for working not less than 20 hours per week for the Group;
 - market standard non-compete terms both during the terms of the service agreement and thereafter for not less 12 months.
- 13.3 Mr. Gianfranco Guerra, the Company's Executive Director has entered into a service agreement with the Company the material terms of which include:
- subject to the remaining terms of the service agreement, Mr. Guerra's appointment shall continue until terminated by either party giving the other not less than 12 months prior notice in writing, which must be given not less than 90 days before the expiry of any rolling period of 12 months;
 - Mr. Guerra shall be paid an initial salary of £10,000 per annum (inclusive of any fees due to him by any Group Company as an officer of the Company) in return for working not less than 10 hours per week for the Group;
 - market standard non-compete terms both during the terms of the service agreement and thereafter for not less 12 months.
- 13.4 Mr. Larry Carter Howick has entered into a letter of appointment with the Company as a nonexecutive director the material terms of which include:
- subject to the remaining terms of the service agreement, Mr. Howick's appointment shall continue for 12 months unless terminated by either party giving the other not less than 3 months prior notice in writing;
 - agreement to sit on the governance committees of the Company as stipulated in this Admission Document;
 - Mr. Howick shall be paid an annual fee of £10,000 (inclusive of any fees due to him by any Group Company as an officer of the Company);
 - market standard non-compete terms both during the terms of the service agreement and thereafter for not less 12 months.
- 13.5 Mr. Christopher Paul Neoh has entered into a letter of appointment with the Company as a nonexecutive director the material terms of which include:
- subject to the remaining terms of the service agreement, Mr. Neoh's appointment shall continue for 12 months unless terminated by either party giving the other not less than 3 months prior notice in writing;
 - agreement to sit on the governance committees of the Company as stipulated in this Admission Document;
 - Mr. Neoh shall be paid an annual fee of £36,000 (inclusive of any fees due to him by any Group Company as an officer of the Company);
 - market standard non-compete terms both during the terms of the service agreement and thereafter for not less 12 months.
- 13.6 Save as referred to above, there are no service agreements or letters of appointment in existence between any of the Directors and the Company.
- 13.7 The aggregate remuneration paid (including any contingent of deferred compensation) and benefits in kind granted to the Directors by the Company during the financial period ended 31 December 2021 was US\$77,392.

14. Pension Arrangements

Other than the mandatory pension arrangements prescribed by the Hong Kong SAR Government, the Company has no pension arrangements.

15. Working Capital

The Directors are of the opinion, having made due and careful enquiry, that the working capital available to the Company will be sufficient for the present requirements of the Company, that is, for the period of twelve months following Admission.

16. Significant Change

Save for the transactions outlined in paragraph 18 (Material Contracts) and in this Document, there has been no significant change in the trading or financial position of the Group since 30 June 2021, being the date to which the Financial Information in Part III of this Document was prepared.

17. Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which any member of the Group is aware since incorporation of each member of the Group which may have or threatened of which any member of the Group is aware) since incorporation of each member of the Group which may have, or have had in the recent past, significant effects on the financial positions or profitability of the Group.

18. Material Contracts

18.1 Guild Engagement Letter

An engagement letter dated 20 September 2021 between the Company and Guild pursuant to which the Company has appointed Guild to act as the corporate adviser to the Company for the purpose of seeking admission of the Company's shares to trading on the AQSE Growth Market, for which, the Company has agreed to a fee.

18.2 Guild Corporate Adviser Agreement

An AQSE Growth Market Corporate Adviser agreement dated 21 February 2022 between the Company and Guild pursuant to which the Company has appointed Guild to act as corporate adviser to the Company on an on-going basis following Admission for which the Company has agreed to pay an annual fee. The agreement contains undertaking and indemnities given by the Company in respect of, *inter alia*, compliance with all applicable laws and regulations. The agreement continues for a fixed period of 6 months from the date of Admission and thereafter is subject to termination by either party giving one months' prior written notice.

18.3 Registrar Agreement

The Company and the Registrar have entered into an agreement with the Registrar ("Registrar Agreement"), pursuant to which the Registrar has agreed to act as registrar to the Company and to provide registration agency services and certain other administrative services to the Company in relation to its business and affairs. The Registrar is entitled to receive an annual fee for the provision of its services. The annual fee will be calculated on the basis of the number of holders of shares in the Company and the number of transfers of such shares. The Registrar Agreement will continue for an initial period of one year and may be terminated upon the expiry of six weeks' written notice given by either party not to expire before the end of the initial period. In addition, the agreement may be terminated immediately if either party commits a material breach of the agreement which has not been remedied within 30 days of a notice requesting the same, or upon an insolvency event in respect of either party. The Company has agreed to indemnify the Registrar against, and hold it harmless from, any damages, losses, costs, claims or expenses incurred by the Registrar in connection with or arising out of the Registrar's performance of its obligations in accordance with the terms of the Registrar Agreement, except to the extent that the same arises from some act of fraud or willful default on the part of the Registrar.

18.4 Agreements with certain Affiliated Companies

Majestic has entered into separate and individual negotiated agreements with the Affiliated Companies to document the commercial relationship between each such company and Majestic on behalf of

the Group where such agreements did not previously exist. This brings them within the scope of the Relationship Agreement to a greater extent than previously existed. The terms represent the historic terms upon which these relationships traded and the Directors are satisfied that: (a) these terms are fair and reasonable to the Group; and (b) are on an arm's length basis and on normal terms. Further details of these relationships with Affiliated Companies are set out in this paragraph 18, Part IV.

18.5 **Placing Letters**

The Company has entered into various subscription letters with subscribers pursuant to the Placing under which the subscribers agreed to subscribe for 1,476,850 ordinary shares of £0.005 each at a price of £0.25 per Ordinary Share.

18.6 **Relationship Agreement**

The Company has entered into a Relationship Agreement with its principal shareholder, the terms of which are more particularly described in paragraph 12, Part IV.

18.7 **Orderly Marketing Agreement**

The principal shareholder, Peter Lai, Li Ting Yang and Lionel Lai who are respectively beneficially interested, 7,190,129 Ordinary Shares, 719,013 Ordinary Shares, and 539,260 Ordinary Shares respectively representing 71.9 per cent., 7.19 per cent., and 5.39 per cent. of the Company's Issued Share Capital on Admission, have each undertaken not to dispose of any of their Ordinary Shares for a period of the 12 months from Admission without the consent of Guild. Even if such consent is given, they may only dispose of Ordinary Shares through Guild provided that the terms and conditions of sale offered by Guild are no worse than those offered in the market by other brokers.

Certain disposals are excluded from the Orderly Market Agreement, including those relating to acceptance of a general offer made to all Shareholders, pursuant to a court order, in the event of financial hardship or as otherwise agreed to by the Company and Guild. The Orderly Market Agreement also contains covenants given by Peter Lai, Li Ting Yang and Lionel Lai to use all their reasonable endeavours to ensure that any persons deemed to be connected with them respectively also adhere to the terms of the Orderly Market Agreement.

18.8 **MC Assets Toll Service Agreement**

This toll service agreement was dated 1 January 2020 and entered into between the Company and MC Asset Malaysia SND BHD ("MC Assets") (the "MC Assets Toll Service Agreement"). This agreement was for the provision of toll service by MC Assets to the Company at an agreed price. The term of the agreement is one year from the date of its complete execution subject to automatic renewal for successive one-year terms. However, either party may voluntarily terminate the agreement on written notice to the other party at any time. This agreement does not specify the governing law.

MC Assets is a contractor of the Company which is beneficially owned by Mr. Lai Peter Yu Pok (being the sole director and sole shareholder) and as at the date of this document, this agreement remains valid.

18.9 **WeGrow Toll Service Agreement**

This toll service agreement is dated 1 January 2019 and entered into between the Company and WeGrow Trading (M) SDN BHD ("WeGrow") (the "WeGrow Toll Service Agreement"). This agreement was for the provision of toll service by WeGrow to the Company at an agreed price. The term of the agreement is one year from the date of its complete execution subject to automatic renewal for successive one-year terms. However, either party may voluntarily terminate the agreement on written notice to the other party at any time. This agreement does not specify the governing law.

WeGrow is an independent contractor of the Company and as at the date of this document this agreement remains valid.

18.10 **Processed E-Scrap Shipment Agreement**

This processed e-scrap shipment agreement was dated 1 February 2021 and entered into between the Company and JX Metals Trading Co., Ltd. (“JX Metals”) (the “Processed E-Scrap Shipment Agreement”).

This agreement was for the delivery and acceptance of processed e-scrap at an agreed price. The term of this agreement is from 1 February 2021 to 31 January 2022. This agreement is governed by the laws of England. The provisions of the United Nations Convention on Contracts for the International Sale of Goods are excluded from having application in this agreement.

18.11 **Asahi Agreement**

This agreement was dated 1 June 2021 and executed by the Company and Asahi Pretec Corp. (“Asahi”) (the “Asahi Agreement”). This agreement was in respect of terms and conditions governing the delivery and acceptance of PGM Containing Ceramic Auto Catalyst and Diesel Particulate Filter at an agreed price. This agreement does not specify the governing law.

Asahi is the Company’s second largest customer in the year ended 31 December 2019; and transactions between the Company and JX Metal account for accounted for 19.6 per cent. of the Company’s total sales in the year ended 31 December 2019.

18.12 **Tenancy Agreement**

This tenancy agreement was dated 16 July 2020 and was entered into between the Company and C. C. Wu International Co., Ltd. in respect of the office premise located at Room 1203, 12/F, C C Wu Building, 302-308 Hennessy Road, Wan Chai, Hong Kong (the “Tenancy Agreement”), The term of the agreement is from 2 August 2020 to 1 August 2022.

18.13 **Share Swap agreement**

On 15th February, 2022 6,555,422 Ordinary Shares were issued, credited as fully paid up, at a deemed subscription price of £0.75 per share to Peter Lai in exchange for his entire shareholding in the capital of Majestic whereby Majestic became a wholly-owned subsidiary of the Company under the terms of the Share Swap Agreement. Mr. Peter Lai gave certain warranties as to his title to the shares in Majestic transferred to the Company. The transfer of the legal title to the shares in Majestic is pending stamp duty adjudication in Hong Kong but the beneficial interest in such shares transferred to the Company on 15 February 2022.

18.14 **Majestic utilises the following bank facilities**

Standard Chartered Bank Hong Kong (“SCB”) SME Financing Guarantee Facility

A revolving trade finance facility of HKD18,000,000 with interest of 1 per cent. per annum over the standard bills finance rates of SCB for foreign currency export facilities and 2.5 per cent. per annum below the standard bills finance rates of SCB. Agreed with SCB on 30 June 2021 under the SME Financing Guarantee Scheme of HKMC Insurance Limited (the “HKMCI”) (the “SCB SME Financing Guarantee Facility”). The facility is repayable by no later than 60 months after the date of the first drawing or the expiry of the HKMCI Guarantee whichever is earlier.

The facility is secured as follows:

- (a) A guarantee issued by HKMCI in favour of SCB in respect of the SCB SME Financing Guarantee Facility (the “HKMCI Guarantee”);
- (b) An all monies subordination deed dated 16 July 2021 and entered into between Peter Lai and SCB; and
- (c) Is ultimately guaranteed via a personal guarantee of HKD18,000,000 dated 16 July 2021 and entered into between Peter Lai and SCB.

SCB General Banking Facilities

General banking facilities with total facility limits of USD100,000 and HKD11,000,000 provided by SCB on 30 June 2021 (the “SCB General Banking Facilities”) which consist of the following:

<i>Type of Facility</i>	<i>Facility Limit</i>
Bond & Guarantees	USDS 100,000
Trade Finance Facility	HKD\$ 11,000,000
Short Term Money Market Loan	HKD 6,000,000
Overdraft	HKD 500,000

The facilities are supported by the following security agreements:

- (a) A security agreement over bank account(s) and investment (all monies) dated 16 June 2020 and entered into between Majestic and SCB (the “Security Agreement Over Bank Account and Investments”);
- (b) A tripartite legal charge / mortgage over the property belonging to Peter Lai’s family;
- (c) A fixed and floating charge over receivables dated 16 July 2021 and entered into between Majestic and SCB (the “Fix and Floating Charge over Receivables”);
- (d) An all monies subordination deed dated 16 July 2021 and entered into between Peter Lai and SCB; and
- (e) Ultimately an unlimited guarantee issued by Peter Lai in respect of the SCB General Banking Facilities (the “Unlimited Personal Guarantee”).

DBS Bank Limited (“DBS”) Facility

Banking facilities with an aggregate facility limit of USD850,000 at any time provided by DBS on 24 January 2019, as varied by the variation letters dated 11 March 2020 and 27 September 2021 (the “DBS Facility”); and which consist of the following facilities:

<i>Type of Facility</i>	<i>Facility Limit</i>
Revolving Term Loan	US\$200,000
Letter of Credit	US\$850,000
Letter of Credit (Cargo Receipt)	US\$850,000
Trust Receipt	US\$850,000
Account Payable Financing	US\$850,000

The facilities are supported by the following security agreements:

- (a) An all monies charge on cash deposit(s) issued by the Company in an amount of not less than USD500,000 (the “All Monies Charge on Cash Deposit(s)”);
- (b) A deed of charge over receivables dated 24 May 2019 and issued by the company in favour of DBS;
- (c) A deed of subordination dated 29 May 2020 and issued by Peter Lai to DBS; and

Ultimately A guarantee and indemnity dated 1 February 2018 and issued by Peter Lai to DBS (the “Personal Guarantee and Indemnity”).

19. Related Party Transactions

The Company had the following material transactions with related parties over the period shown below:

Peter Lai Yu Pok is the director of the below company.

Name of related party	Nature of transactions	Amount (£) in financial year to:	
		30.6.2020	30.6.2021
MC Asset Malaysia Sdn. Bhd.	Tolling fee	858,000	1,110,000

Save for the related party transactions referred to above, there are no related party transactions that were entered into by the Group since 30 June 2020 (being the end of the last two financial periods for which audited financial information have been published) up to and including the date of this Document.

20. United Kingdom Taxation

20.1 The following information is based on UK tax law and HMRC practice currently in force in the UK.

Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time. The information that follows is for guidance purposes only. Any person who is in any doubt about his or her position should contact their professional advisor immediately.

20.1.1 The following information, which relates only to UK taxation, is applicable to persons who are resident in the UK and who beneficially own Ordinary Shares as investments and not as securities to be realised in the course of a trade. It is based on the law and practice currently in force in the UK. The information is not exhaustive and does not apply to potential investors: (a) who intend to acquire, or may acquire (either on their own or together with persons with whom they are connected or associated for tax purposes), more than 10 per cent. , of any of the classes of shares in the Company; or (b) who intend to acquire Ordinary Shares as part of tax avoidance arrangements; or (c) who are in any doubt as to their taxation position.

20.1.2 Such Shareholders should consult their professional advisers without delay. Shareholders should note that tax law and interpretation can change and that, in particular, the levels, basis of and reliefs from taxation may change. Such changes may alter the benefits of investment in the Company.

20.1.3 Shareholders who are neither resident nor temporarily non-resident in the UK and who do not carry on a trade, profession or vocation through a branch, agency or permanent establishment in the UK with which the Ordinary Shares are connected, will not normally be liable to UK taxation on dividends paid by the Company or on capital gains arising on the sale or other disposal of Ordinary Shares. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

20.2 Dividends

20.2.1 Where the Company pays dividends, no UK withholding taxes are deducted at source. Shareholders who are resident in the UK for tax purposes will, depending on their circumstances, be liable to UK income tax or corporation tax on those dividends.

20.2.2 UK resident individual Shareholders who are domiciled in the UK, and who hold their Ordinary Shares as investments, will be subject to UK income tax on the amount of dividends received from the Company.

20.2.3 Dividend income received by UK tax resident individuals will have a £2,000 per annum dividend tax allowance. Dividend receipts in excess of £2,000 per annum will be taxed at 7.5 per cent. for basic rate taxpayers, 32.5 per cent. for higher rate taxpayers and 38.1 per cent. for additional rate taxpayers. An additional Health & Social Levy of 1.25 per cent. has also been announced that will apply on dividend payments from April 2022.

20.2.4 Shareholders who are subject to UK corporation tax should generally, and subject to certain anti-avoidance provisions, be able to claim exemption from UK corporation tax in respect of any dividend received, but will not be entitled to claim relief in respect of any underlying tax.

20.3 **Disposals of Ordinary Shares**

20.3.1 Any gain arising on the sale, redemption or other disposal of Ordinary Shares will be taxed at the time of such sale, redemption or disposal as a capital gain.

20.3.2 The rate of capital gains tax on disposal of Ordinary Shares by basic rate taxpayers is 10 per cent. and 20 per cent. for upper rate and additional rate taxpayers.

20.3.3 Subject to certain exemptions, the corporation tax rate applicable to a Shareholder's corporate taxable profits is currently 19 per cent. . In the Budget on 3 March 2021, it was announced that the rate would increase to 25 per cent. after 1 April 2023.

20.4 Further information for Shareholders subject to UK income tax and capital gains tax "Transactions in securities".

20.4.1 The attention of Shareholders (whether corporates or individuals) within the scope of UK taxation is drawn to the provisions set out in, respectively, Part 15 of the Corporation Tax Act 2010 and Chapter 1 of Part 13 of the Income Tax Act 2007, which (in each case) give powers to HMRC to raise tax assessments so as to cancel "tax advantages" derived from certain prescribed "transactions in securities".

20.5 **Stamp Duty and Stamp Duty Reserve Tax**

20.5.1 No UK stamp duty or stamp duty reserve tax will be payable on the allotment and issue of Ordinary Shares pursuant to the private placing conducted immediately prior to, but conditional upon Admission. No UK stamp duty or SDRT will be generally payable on the issue of any further Ordinary Shares.

20.5.2 The AQSE Growth Market qualifies as a recognised growth market for the purposes of the UK stamp duty and SDRT legislation. Accordingly, for so long as the Ordinary Shares are admitted to trading on the AQSE Growth Market and are not listed on any other market, no charge to UK stamp duty or SDRT should arise on their subsequent transfer.

20.5.3 If the Ordinary Shares cease to qualify for this exemption their transfer on sale will be subject to stamp duty and/or SDRT (generally at the rate of 0.5 per cent. of the consideration subject to a *de minimis* threshold), although special rules apply in respect of certain transfers including transfers to market intermediaries and transfers into clearance services or depositary receipt arrangements.

20.5.4 The statements in this paragraph apply to any holders of Ordinary Shares irrespective of their residence.

The above comments are intended as a guide to the general stamp duty and stamp duty reserve tax position and may not relate to persons such as charities, market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services to whom special rules apply.

THIS SUMMARY OF UK TAXATION ISSUES CAN ONLY PROVIDE A GENERAL OVERVIEW OF THESE AREAS AND IT IS NOT A DESCRIPTION OF ALL THE TAX CONSIDERATIONS THAT MAY BE RELEVANT TO A DECISION TO INVEST IN THE COMPANY. THE SUMMARY OF CERTAIN UK TAX ISSUES IS BASED ON THE LAWS AND REGULATIONS IN FORCE AS OF THE DATE OF THIS DOCUMENT AND MAY BE SUBJECT TO ANY CHANGES IN UK LAWS OCCURRING AFTER SUCH DATE. LEGAL ADVICE SHOULD BE TAKEN WITH REGARD TO INDIVIDUAL CIRCUMSTANCES. ANY PERSON WHO IS IN ANY DOUBT AS TO HIS TAX POSITION OR WHERE HE IS RESIDENT, OR OTHERWISE SUBJECT TO TAXATION, IN A JURISDICTION OTHER THAN THE UK, SHOULD CONSULT HIS PROFESSIONAL ADVISER.

21. Compulsory acquisition rules relating to Ordinary Shares

21.1 *Squeeze out under the Companies Act*

Sections 974 to 991 of the Companies Act provide that, if following a takeover offer (as defined in section 974 of the Companies Act) an offeror acquires or contracts to acquire not less than 90 per cent. of the shares (both by value and by voting rights) to which such offer relates, it may then compulsorily acquire the outstanding shares which the offeror has not acquired or contracted to acquire.

To do so, the offeror sends a notice to the holders of shares who had not accepted the offer informing them that it will compulsorily acquire their shares and six weeks from the date of the notice, it would execute a transfer of the outstanding shares in its favour and pay the consideration for the shares to the Company, which holds the consideration on trust for the relevant holders of shares. The consideration in respect of shares that are compulsorily acquired must, in general, be the same as the consideration that was available under the takeover offer.

21.2 *Sell Out under the Companies Act*

Pursuant to sections 983 to 985 of the Companies Act, if an offeror acquires or contracts to acquire not less than 90 per cent. of the shares (both by value and by voting rights) to which the offer relates, any holder of shares to which the offer relates who has not accepted the offer may require the offeror to acquire his shares on the same terms as the takeover offer subject to certain time limits. The offeror is required to give any such holder of shares notice of his right to be bought out within one month of that right arising.

Sell-out rights cannot be exercised by a shareholder after the end of the period of three months from the end of the period within which the offer can be accepted or, if later, three months from the date of the notice which is served on the holder of shares notifying the holder of the holder's sell-out rights. If a holder of shares exercises his/her rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

22. General

- 22.1. The total costs and expenses in relation to Admission payable by the Company are estimated to amount to approximately £240,000 (excluding VAT).
- 22.2. Except as disclosed in this Document, there has been no significant change in the financial or trading position of the Company since 30 June 2021 (being the date to which the Financial Information in Part III of this Document was prepared).
- 22.3. Kreston Reeves LLP has been appointed as the auditors of the Company. Kreston Reeves LLP is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales. Kreston Reeves LLP's business address is at 2nd Floor, 168 Shoreditch High Street, London E1 6RA.
- 22.4. Kreston Reeves LLP has given and has not withdrawn its written consent to the issue of this Document with the inclusion herein of their report as set out in Part III of this Document and references thereto. Kreston Reeves LLP also accepts responsibility for its report.
- 22.5. Guild Financial Advisory Limited, which is authorised and regulated by the FCA, has given, and not withdrawn its written consent to the inclusion in this Document of references to its name in the form and context in which it appears. Guild Financial Advisory Limited is acting exclusively for the Company in connection with Admission and not for any other persons. Guild Financial Advisory Limited will not be responsible to any other persons other than the Company for providing the protections afforded to customers of Guild Financial Advisory Limited or for advising any such person in connection with Admission. Guild Financial Advisory Limited is registered in England and Wales under company number 11611887 and with registered address at 382 Russell Court Woburn Place, London, England, WC1H 0NH.

- 22.6. There are no investments in progress and there are no future investments in respect of which the Directors and Proposed Directors have already made firm commitments, which are significant to the Company.
- 22.7. No financial information contained in this Document is intended by the Company to represent nor constitute a forecast of profits by the Company nor constitute publication of accounts by it.
- 22.8. The Directors accept responsibility for the financial information contained in Part III of this Document, which has been prepared in accordance with the law applicable to the Company.
- 22.9. Save for the Company's website at <https://www.majestic-corp-investor.com> and as set out in this Document, there are no patents or intellectual property rights, licenses or particular contracts, which are of material importance to the Company's business or profitability.
- 22.10. Save as disclosed in this Document, as far as the Directors are aware there are no environmental issues that may affect the Company's utilisation of any tangible fixed assets.
- 22.11. The Ordinary Shares have not been sold, nor are they available, in whole or in part, to the public in connection with the application for Admission.

23. Availability of this Document

Copies of this Document will be available free of charge to the public during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the registered office of the Company and will remain available for at least one month after the date of Admission. The Document is also available on the Company's website, www.majestic-corp-investor.com.



Majestic Corporation