



Market Rules (MKT)

*In this attachment underlining indicates new text and striking through indicates deleted text.

4. OFFERS OF SECURITIES

4.1 Application

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4.3 Exempt Offers

Guidance

This section prescribes the type of Offer that is an Exempt Offer. The prohibition in section 58(1) of the FSMR does not apply to such Offers. Accordingly, a Person may make an Offer of Securities to the Public in the circumstances specified in this Rule without a Prospectus.

4.3.1 For the purposes of section 61(3)(a) of the FSMR the Regulator hereby prescribes the circumstances in which an Offer is an Exempt Offer:

- (1) an Offer made to or directed at only Professional Clients ~~other than natural Persons;~~
- (2) an Offer in or from the ADGM which is directed at ~~fewer~~ no more than 50 Persons in any 12-month period, excluding Professional Clients who are not natural persons;

....

- (11) an Offer where the Shares are offered, allotted or to be allotted to existing Shareholders free of charge or dividends paid out in the form of Shares of the same class as the Shares in respect of which the dividends are paid, and a document is made available containing information on the number and nature of the Shares and the reasons for and details of the Offer; ~~or~~
- (12) an Offer where the Securities are offered, allotted or to be allotted to an existing or former Director or Employee, or any Close Relative of such a Director or Employee, of the Issuer or a member of the same Group as the Issuer and:
 - (a) the Issuer or the member of the Group already has its Securities admitted to trading on a Regulated Exchange; and
 - (b) a document is made available to the offerees containing information on the number and nature of the Securities and the reasons for and details of the Offer; or

- (13) an Offer in or from the ADGM which is directed at no more than 200 Persons that are not Professional Clients or Market Counterparties, in circumstances where the Securities are, or have been, offered within a Private Financing Platform or via a Multilateral Trading Facility.

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4.3.3 (1) Subject to (2), An Offer of Securities remains an Exempt Offer even if the Offer falls in whole or part within more than one of the circumstances specified in Rule 4.3.1, as long as all of the Offer falls within at least one of those circumstances.

- (2) An Issuer must not aggregate the limits contained in Rule 4.3.1(2) and Rule 4.3.1(13) when making an Exempt Offer.

4.3.4 A Person making an Exempt Offer must ensure that an exempt offer statement is included in the Exempt Offer Document. An exempt offer statement must contain the following statement displayed prominently on its front page:

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4.3.5 Pursuant to an Exempt Offer under Rule 4.3.1(13), the Issuer must provide a Product Summary Note to investors in accordance with the following requirements:

- (1) The Product Summary Note must:
 - (a) highlight key information in the Offer document to investors;
 - (b) clearly disclose required information in the format as set out in APP 7;
 - (c) give a fair and balanced view of the nature, material benefits and material risks of the Securities offered;
 - (d) not contain any statement or information that is false or misleading in the form and context in which it is included;
 - (e) be given together with the Offer document to investors. If the Issuer makes the Offer document available online, the Product Summary Note must be made available online together with the Offer document;
 - (f) not contain any information that is not contained in the Offer document;
 - (g) not contain any Inside Information that differs in any material particular from that set out in the Offer document; and
 - (h) not omit any information from any part of the Product Summary Note which would result in that part of the Product Summary Note being construed as false or misleading.
- (2) The Product Summary Note shall contain the prominent disclaimer set out in Rule 4.3.4 in bold, on its front.
- (3) The Issuer must give notice the Regulator of its intention to provide a Product Summary Note at least ten Business Days prior to the Exempt Offer, in such form as the Regulator may prescribe.
- (4) When the Issuer makes any change to the Offer document, the Product Summary Note must be updated if the change has a material effect on the key information of the Securities offered.
- (5) Issuers must ensure there is clear naming of the Securities offered. The name of the Securities must be descriptive of the nature of the Securities offered. It must not give investors a misleading view of the true nature and risks of the Securities offered.

Guidance

Pursuant to Rule 4.3.5(1)(c), the Regulator considers a Product Summary Note as giving a fair and balanced view of the Securities offered if the Product Summary Note:

- (a) gives:

- (i) a balanced description of the risks and potential returns of the Securities; and
 - (ii) a proportionate level of prominence to the warnings, disclaimers and qualifications in relation to the claims on potential returns to which they refer to; and
- (b) does not:
- (i) give the impression that an investor can profit without risks;
 - (ii) contain words or graphics that could convey an impression that is inaccurate or inconsistent with the nature or the risks of the Securities; or
 - (iii) present information in footnotes in a way that would alter the meaning of the main text of the Product Summary Note or cause difficulty to an investor in understanding the Securities.

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APP 7 PRODUCT SUMMARY NOTE

A7.1 General

A7.1.1 This appendix sets out the template for the Product Summary Note for Exempt Offers of Securities pursuant to Rule 4.3.5.

A7.1.2 The template serves as a minimum standard. Issuers shall adhere to the format (including the tabular structure), headings and sub-headings set out in the templates for their respective Securities. Additional sub-headings may be added if these are useful to enumerate points in a long section. Issuers shall include any additional key information that is important for investors to understand the Exempt Offer.

A7.1.3 Information in the Product Summary Note (including footnotes and references) shall be clearly legible and in a font size of at least 10-points.

A7.1.4 Subject to Rule 4.3.5, Issuers shall refrain from including disclaimers in relation to information disclosed in the Product Summary Note or in respect of the Product Summary Note.

A7.1.5 Issuers shall avoid producing marketing material which resembles or may otherwise be confused with a Product Summary Note.

Guidance

- 1.** The Product Summary Note should ideally not exceed 12 pages in length based upon an A4 paper size format, including diagrams and illustrations.
- 2.** Notes to guide Issuers in preparing their Product Summary Notes are presented as italicised statements in square brackets in the template. Some examples are presented for illustration. These notes and examples are not meant to be prescriptive or exhaustive. Issuers should consider and decide on the information to be disclosed in the Product Summary Note so as to highlight key information of their Exempt Offer to investors.
- 3.** The use of diagrams and illustrations such as graphs, charts, flowcharts and tables to present information in the Product Summary Note is encouraged.

4. Issuers should set out information in the template in a clear and simple language that investors can easily understand (i.e. in plain English) and should avoid using technical terms or acronyms in the Product Summary Note. Where technical terms or acronyms are unavoidable, Issuers should explain these technical terms in the “Definitions” section of the template.
5. Issuers should include references to corresponding sections of the Exempt Offer document which set out additional information for investors in the right-hand column of the Product Summary Note. Issuers are encouraged to include links to online copies of the Exempt Offer document. However, key information should be clearly disclosed in the Product Summary Note and issuers should not merely make reference to information in other sources, such as the Offer document.

A7.2 Template

Prepared on: [DD/MM/YY]

NAME OF OFFER (the “Securities”)

EXAMPLE: OFFER OF [ORDINARY SHARES] IN [NAME OF ISSUER] (“the “Securities”)

Prior to making a decision to purchase the Securities, you should consider all the information contained in the Offer document carefully and whether you understand what is described in the Offer document. This Product Summary Note should be read in conjunction with the Offer document. You will be subject to various risks and uncertainties, including the potential loss of your entire principal amount invested. You should also consider whether an investment in the Securities is suitable for you taking into account your investment objectives and risk appetite. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser. You are responsible for your own investment choices.

This offer document is an Exempt Offer in accordance with the Market Rules of the ADGM Financial Services Regulatory Authority. This Exempt Offer document is intended for distribution only to Persons of a type specified in the Market Rules. It must not be delivered to, or relied on by, any other Person. The ADGM Financial Services Regulatory Authority has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The ADGM Financial Services Regulatory Authority has not approved this Exempt Offer document nor taken steps to verify the information set out in it, and has no responsibility for it. The Securities to which this Exempt Offer relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Securities offered should conduct their own due diligence on the Securities. If you do not understand the contents of this Exempt Offer document you should consult an authorised financial advisor.

This Product Summary Note is an important document.

- **It highlights the key information and risks relating to the offer of the Securities contained in the Exempt Offer document. It complements the Offer document.**
- **You should not purchase the Securities if you do not understand the nature of an investment in [type of securities], our business or are not comfortable with the accompanying risks.**
- **If you wish to purchase the Securities, you will need to make an application in the manner set out in the Offer document. If you do not have a copy of the Offer document, please contact us to ask for one.**

Issuer / Sponsor (where applicable)	[•] [•]	Place of incorporation	[•]
Details of this offer	[•] Example: Total number of shares to be offered – [•]	Total amount to be raised in this offer	[•] Example: • Gross proceeds – \$[•] to \$[•] • Net proceeds – \$[•] to \$[•]
Issue Price	[•] Example: \$[•] for each share	Issue Manager(s) Underwriter(s) (where applicable)	[•] [•]

OVERVIEW

WHO ARE WE AND WHAT DO WE DO?

<p><i>[Provide an overview of the Issuer and its subsidiaries (the “Group”), including the Group’s nature of operations and principal activities, principal markets the Group competes in, principal place of operations and operational history. Information should be presented using diagrams (e.g. tables, graphs and charts) where appropriate.]</i></p> <p>Example:</p> <p>We are engaged in the business of <i>[principal business]</i> in <i>[country]</i>. We were incorporated in <i>[country]</i> on <i>[date]</i> under the name of <i>[name of company]</i> (and together with our subsidiaries, referred to as the “Group”). On <i>[date]</i>, we acquired all of the ordinary share capital of <i>[name of subsidiaries]</i>. Since our acquisition of <i>[name of subsidiaries]</i>, we have been a major supplier of <i>[principal business]</i> in <i>[country]</i>. Our subsidiaries, <i>[subsidiary X]</i>, <i>[subsidiary Y]</i> and <i>[subsidiary Z]</i> are responsible for design and manufacturing of our products in <i>[country X]</i>, <i>[country Y]</i> and <i>[country Z]</i> respectively.</p> <p>The structure of our Group as at the date of this Offer document is as follows:</p> <div style="text-align: center; border: 1px solid black; width: fit-content; margin: 0 auto; padding: 5px;"> <p><i>[structure chart]</i></p> </div>	<p><u>Further Information</u></p> <p>Refer to the “<i>[relevant section]</i>” on page(s) <i>[•]</i> of the Offer document for more information on our background and business.</p>
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WHO ARE OUR DIRECTORS AND KEY EXECUTIVES?

<p><i>[Provide brief information on the Issuer’s board of directors and key executives (i.e. CEO, CFO, COO).]</i></p> <p>Example:</p> <p>Our board of directors comprise the following directors:</p> <ul style="list-style-type: none"> (a) Director A (executive, non-independent) (b) Director B (executive, non-independent) (c) Director C (non-executive, independent) (d) Director D (non-executive, independent) (e) Director E (non-executive, independent) <p>Our key executives are <i>[names and designations of executive officers]</i>. <i>[Name of chairman]</i> has been our Company’s chairman since <i>[date]</i>.</p>	<p>Refer to the “<i>[relevant section]</i>” on page(s) <i>[•]</i> of the Offer document for more information on our directors and management.</p>
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WHO ARE OUR CONTROLLING [SHAREHOLDERS/UNITHOLDERS] AND [SPONSORS (IF RELEVANT)]?

[Identify the controlling shareholder(s)/controlling unitholder(s) and sponsors (if relevant) of the Issuer, and state the percentage of shares/units of each class in which each controlling shareholder/controlling unitholder and sponsors (if relevant) has an interest, whether direct or deemed, as of the latest practicable date and immediately after the offer.]

Example:

Prior to the offer, *[controlling shareholder]* holds *[●]*% of our Company's total issued share capital. He is expected to hold at least *[●]*% of our Company post-offer and to remain as a controlling shareholder.

Refer to the "[relevant section]" on page(s) *[●]* of the Offer document for more information on our controlling *[shareholders/unitholders]*.

HOW WAS OUR HISTORICAL FINANCIAL PERFORMANCE AND WHAT IS OUR CURRENT FINANCIAL POSITION?

[Provide key profit and loss data (including net sales or revenue, profit or loss before tax, net profit or loss, and earnings or loss per share before and after the offer) and cash flows data (cash flows from operating, financing and investing activities) of the Issuer in respect of each of the relevant number of most recent completed financial year(s) and any subsequent interim period for which financial information has been included in the Offer document. Briefly discuss the most significant factors, events or new developments which materially affected the Issuer's sales or revenue, expenses and profit or loss before tax for each financial period.]

Provide also key balance sheet data (including total assets, total liabilities, net assets or liabilities and issued capital and reserves) as at the end of the most recent completed financial year or any subsequent interim period for which financial information has been included. In addition, include the profit forecast or profit estimate information if a profit forecast or profit estimate is disclosed in the Offer document. Key financial information should be presented using diagrams (e.g. tables, graphs and charts) where appropriate.]

Example:

Key profit and loss information

	Year ended 31 December			Forecasted profit
	<i>[Year]</i>	<i>[Year]</i>	<i>[Year]</i>	<i>[Year]</i>
	\$(‘000)	\$(‘000)	\$(‘000)	\$(‘000)
Net revenue	<i>[●]</i>	<i>[●]</i>	<i>[●]</i>	<i>[●]</i>
Profit / (loss) before tax	<i>[●]</i>	<i>[●]</i>	<i>[●]</i>	<i>[●]</i>
Profit / (loss) after tax	<i>[●]</i>	<i>[●]</i>	<i>[●]</i>	<i>[●]</i>
Earnings / (loss) per share - Basic	<i>[●]</i>	<i>[●]</i>	<i>[●]</i>	<i>[●]</i>
Earnings / (loss) per share - Diluted	<i>[●]</i>	<i>[●]</i>	<i>[●]</i>	<i>[●]</i>

Key cash flows information

	Year end 31 December	
	<i>[Year]</i>	<i>[Year]</i>
	\$(‘000)	\$(‘000)
Net cash generated from operating activities	<i>[●]</i>	<i>[●]</i>
Net cash used in investing activities	<i>[●]</i>	<i>[●]</i>

Refer to the "[relevant section]" on page(s) *[●]* of the Offer document for more information on our financial performance and position.

Net cash generated from financing activities	[●]	[●]
Net increase / (decrease) in cash and cash equivalents	[●]	[●]
Cash and cash equivalents at end of year / period	[●]	[●]

Key balance sheet information

	Year end 31 December	
	[Year]	[Year]
	\$('000)	\$('000)
Total assets	[●]	[●]
Total liabilities	[●]	[●]
Net assets / (liabilities)	[●]	[●]

The most significant factors contributing to our financial performance over the last two completed financial years are as follows:

- Our revenue for [year] increased by \$[●] million ([●]%) due to an increase in sales volume contributed by our introduction of our new product in [year].
- Our net profit from operations in [year] was \$[●] million, which is [●]% higher than our net profit from operations of \$[●] million in [year]. This was mainly attributable to lower finance costs of \$[●] million due to lower interest rates and lower loan principals.
- Our net cash generated from operating activities decreased by \$[●] million from \$[●] million in [year] to \$[●] million in [year] due to an increase in credit sales that contributed to an increase in trade receivables of \$[●] million from \$[●] million in [year] to \$[●] million in [year].
- Our net assets increased by \$[●] million from \$[●] million in [year] to \$[●] million in [year] mainly due to the \$[●] million increase in inventories for our new product introduced in [year].

The above factors are not the only factors contributing to our financial performance in FY[●] and FY[●]. Please refer to the other factors set out in pages [●] to [●] of the Offer document.

INVESTMENT HIGHLIGHTS

WHAT ARE OUR BUSINESS STRATEGIES AND FUTURE PLANS?

[Briefly describe the Issuer's or the Group's (as the case may be) key strategies and future plans for the development of its business]

Example:

Key Strategies and Future Plans

We have a well-established brand name in [country] and we are recognised as the leading manufacturing company of [principal business] in [country]. We have a strong management team with over 20 years of experience in the industry and the management team has contributed significantly to our Company's growth and expansion since our incorporation in [year]. We aim to strengthen our position in this industry and region by expanding our operations to [names of countries] in the next 3 years.

We have also recently started a joint venture with [name of company] to enter into the [secondary business] market. We believe that there is a growing market for [secondary business] in [country] given the changing lifestyles of consumers in [country].

Refer to the "[relevant section]" on page(s) [●] of the Offer document for more information on our strategies and future plans.

WHAT ARE THE KEY TRENDS, UNCERTAINTIES, DEMANDS, COMMITMENTS OR EVENTS WHICH ARE REASONABLY LIKELY TO HAVE A MATERIAL EFFECT ON US?

[Where applicable, briefly discuss, for at least the current financial year, the Issuer’s or the Group’s (as the case may be) business and financial prospects, any significant recent trends in production, sales and inventory, and in the costs and selling prices of products and services, as well as any other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in the Offer document to be not necessarily indicative of the future operating results or financial condition of the Issuer or the Group (as the case may be). If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.]

Refer to the “[relevant section]” on page(s) [●] of the Offer document for more information on our business and financial prospects.

Example:

For the current financial year, our Directors have observed the following trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the net sales or revenues, profitability, liquidity or capital resources of the Group, or that would cause financial information disclosed in the Offer document to be not necessarily indicative of the future operating results or financial condition of the Group:

- (a) the demand for [activity] has increased with the recent growth [country]’s economy. We expect our revenue from our [business segment] to increase in line with the increase in [activity]; and
- (b) we expect the upward trend in [activity] to have a positive impact on the demand for our [service].

Operating costs are also expected to increase together with the increase in the level of [activity].

The above are not the only trends, uncertainties, demands, commitments or events that could affect us. Please refer to the other factors set out in pages [●] to [●] of the Offer document.

WHAT ARE THE KEY RISKS WHICH HAD MATERIALLY AFFECTED OR COULD MATERIALLY AFFECT US AND YOUR INVESTMENT IN OUR SECURITIES?

*[Discuss the key risks which the Issuer considers to be the **most important** for the investor when deciding whether or not he should invest in the shares/units being offered, taking into account the possibility of the risk occurring and/or whether the event will have a material adverse impact on the Issuer’s or the Group’s business operations, financial position and results, and the investor’s investment in the shares/units. The Issuer **should not** set out the entire list of risk factors found in the “Risk Factors” section of the Offer document.]*

Refer to the “[relevant section]” on page(s) [●] of the Offer document for more information on risk factors.

Example:

KEY RISKS

We consider the following to be the most important key risks which had materially affected or could materially affect our business operations, financial position and results, and your investment in our shares.

- **An economic downturn could negatively affect our profitability:** Our industry is exposed to cyclical variations in the general economy and to uncertainty of future economic prospects. Economic downturns could have an adverse impact on overall demand. This would result in a decrease in our sales and earnings.
- **Our industry is highly competitive:** We compete against numerous businesses and our competitors may be larger and have greater financial resources. We compete for customers,

financing, employees and other resources. This creates both strong price and quality competition, which leads to increased costs in the form of marketing and customer services, in addition to price reductions. Our ability to compete effectively depends on several factors, including our market presence, our reputation, our competitors, and general trends in the industry and economy. There is no assurance that we can compete successfully.

- **A substantial proportion of our revenues is derived from several major customers and loss of their business may seriously impact our financial results:** Our five largest customers accounted for approximately [●]% of our revenues for the year ended [year], and our ten largest customers accounted for approximately [●]% of our revenues for the year ended [year]. Our revenues may significantly decrease if we lose any of these customers or if our customers reduce their volume of business with us.
- **We face risks associated with our business being conducted in [country]:** As most of our operations are conducted in [country], our business may be adversely affected if we cannot successfully manage inherent risks including: unexpected political or economic developments; fluctuations in foreign currency exchange rates; unfavourable tax consequences; adverse legal or regulatory changes; insufficient protection for intellectual property rights; and complexities relating to currency and capital transfers.
- **The restrictions on our operating subsidiary’s ability to make payments to us could have a material adverse effect on our ability to fund and operate our business:** We are a holding company and conduct substantially all of our business through our operating subsidiaries in [country]. Accordingly, we will rely on dividends paid by our subsidiaries for our cash needs, including the necessary funds to pay our operating expenses, service any debt we may incur, and pay any dividends that may be declared. The payment of dividends by [country] entities such as our subsidiaries is subject to limitations in accordance with the rules and regulations of [country], which may negatively affect our operations and profitability.

The above are not the only risk factors that had a material effect or could have a material effect on our business operations, financial position and results, and your shares. Refer to “[relevant section]” on page(s) [●] of the Offer document for a discussion on other risk factors and for more information on the above risk factors. Prior to making a decision to invest in our [shares/units], you should consider all the information contained in the Offer document.

WHAT ARE THE RIGHTS ATTACHED TO THE SECURITIES OFFERED?

[Describe the type and class of shares/units being offered, including the rights attached to the shares/units and any restrictions on the free transferability of shares/units.]

Example:

Key Information on Shares Offered

As of the date of this Offer document, our issued and paid up share capital was \$[●] consisting of [●] shares.

We have only one class of shares, and the shares offered will have the same rights as our other existing issued and paid-up shares, including voting rights. Shareholders will be entitled to all rights attached to their shares in proportion to their shareholding, such as any cash dividends declared by the Company and any distribution of assets upon liquidation of the Company. There are no restrictions on the transferability of our shares.

Refer to the “[relevant section]” on page(s) [●] of the Offer document for more information.

HOW WILL THE PROCEEDS OF THE OFFER BE USED?

[Provide information on the amount of proceeds raised from the offer will be allocated to each principal intended use. Information on the use of proceeds should be presented using diagrams (e.g. tables, graphs and charts) where appropriate.]

Example:

Use of Proceeds

The net proceeds to be raised in the offer (after deducting estimated expenses to be borne by us) is \$[●]. The following represents our estimate of the allocation of the gross proceeds expected to be raised from the offer, assuming the over-allotment option is not exercised. We will not receive any proceeds from the sale of shares by vendors.

Details of utilisation	\$ (million)	Allocation for each \$1.00 gross proceeds raised
(1) Net proceeds:		
(a) Expansion of business	[●]	[●]
(b) Working capital and general corporate purposes	[●]	[●]
(2) Other estimated expenses	[●]	[●]
Total	[●]	1.00

Refer to the “[relevant section]” on page(s) [●] of the Offer document for more information on our use of proceeds.

WILL WE BE PAYING [DIVIDENDS/DISTRIBUTIONS] AFTER THE OFFER?

[Describe (i) the dividends/distributions per share/unit, if any, paid by the Issuer for each of the 3 most recent completed financial years, and (ii) the Issuer’s dividend/distribution policy, or if it does not have a fixed policy, to state so. Provide clear and prominent disclosure of any existing or proposed arrangement that materially enhances short-term yields while potentially diluting long-term yields. The disclosure should include a computation of the forecast distribution yield assuming that the arrangements are not in place.]

Example:

Over the last three financial years ended 31 December [year], [year] and [year], we have not declared and distributed dividends. We currently do not have a fixed dividend policy. Any future payment of dividends by us would depend on our earnings, financial condition and other business and economic factors. If we do not pay any dividends, any return on investment may be limited to the value of our shares, and our shares may be less valuable because return on investment will depend entirely on capital appreciation.

Refer to the “[relevant section]” on page(s) [●] of the Offer document for more information on our [dividend / distribution] policy.

DEFINITIONS

[Provide definitions if necessary.]

CONTACT INFORMATION

WHO CAN YOU CONTACT IF YOU HAVE ENQUIRIES RELATING TO OUR OFFER?

HOW DO YOU CONTACT US?

[Provide contact details of Issuer, distributor(s)/underwriter(s) and/or issue manager(s) whom investors can contact if they have enquiries. Include a website address and email address, if appropriate.]